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— Buy United States War Bonds and Stamps —

# The League's Business

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## League Secretary Enters Army

Howard P. Jones, secretary of the League, has been called to active duty as a major in the Military Government Division of the Army of the United States. He reported August 7 at Fort Custer, Michigan, for training prior to assignment.

The League's Executive Committee adopted the following resolution:

WHEREAS Howard P. Jones, secretary of the National Municipal League, has been called to active duty in the Military Government Division of the Army, and

WHEREAS the League through the Executive Committee of its Council wishes to acknowledge and express its great appreciation of his years of useful service, now therefore

BE IT RESOLVED that Mr. Jones be and is hereby granted a leave of absence as secretary for the duration of the war, and

BE IT FURTHER RESOLVED that Alfred Willoughby, executive secretary, be authorized to act in his stead during such absence.

Mr. Jones has been a member of the League's staff since 1929, when he became public relations secretary. He has been secretary and editor of the NATIONAL MUNICIPAL REVIEW since 1933, and during part of this period also lectured at the American Institute of Banking and at Columbia University.

In addition to his duties with the League, Mr. Jones served from 1939 through 1942 as a member of the New York State Civil Service Commission and in January of this year was appointed Deputy Comptroller for the State of New York in charge of the Division of Municipal Affairs.

Mr. Willoughby, who will serve during Mr. Jones's absence, joined the League staff in 1937 and was appointed executive secretary in February 1940.

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## League Leaders in the News

The following members of the League's Council have appeared in the news recently: Lieutenant Commander Harold E. Stassen, former Governor of Minnesota, was chosen as flag secretary and personal aide to Admiral William F. Halsey, United States Navy commander in the Pacific; Robert W. Johnson has resigned his commission as brigadier general but is continuing in a civilian capacity as chief of the Smaller War Plants Division; Lieutenant Colonel Karl Detzer, chief of the Technical Division, Army Supply Forces, left Washington in July for a tour of foreign duty; Mark Matthews, assistant head of the Federal-State Relations Section of the Department of Justice, has been commissioned a captain in the Military Government Division of the Army; Richard Weil, Jr., of Newark, N. J., has been commissioned a captain in the Army Office of Strategic Services.

Robert C. Hendrickson, a League vice president and State Treasurer of New Jersey, has been commissioned a major in the Army Military Government Division.

Charles J. Rohr, of Massachusetts State College and REVIEW correspondent for Massachusetts, has been commissioned a first lieutenant in the Army Military Government Division. Carl R. Dortch, director of governmental research for the Indianapolis Chamber of Commerce and REVIEW correspondent for Indiana, has entered the Army.



# National Municipal Review

## Editorial Comment

### The Training Ground Is "All Wet"

THERE is a natural impulse, upon reading the description on page 458 of this issue of future citizens gathered with kindly Mayor Round in his parlor to learn about Camberwell's government, to send the story to every mayor and every teacher.

If someone did, the copies which reached a mayor's desk would be apt to get reactions such as "I'm too busy to spend time doing the school teacher's job" or "Very nice; too bad our town's too big."

But no town is too big to devote all possible attention to citizen training, and the teachers do not have the sole responsibility.

The teaching of our youth to meet their lifelong responsibilities as citizens in a self-governing nation is badly done for the most part. Teachers are assigned to the teaching of civics or the fancier "social sciences" because they have light schedules rather than because they have any special background or interest on which to assume this serious assignment. Obviously this *laissez faire* attitude needs to be changed up and down the line. The first step is to recognize that training for citizenship is as important as any subject and that the idea that everyone is automatically equipped to teach it is as dead as the old dodo bird who thought every citizen equally capable of running any of the highly specialized services which constitute local government.

Here and there a few pioneering

spirits have blazed the way and tried to take the children out of the classroom into the exciting laboratory of men and things. When the students of the University of Toledo finish the required "Effective Citizenship" course originated by O. Garfield Jones, for example, they have a thorough understanding of Toledo's government; more important, most of them know how to participate in its activities at the citizen level and have a *desire to do it*.

But, as has been frequently pointed out, it is not enough to have a few good examples of citizen training at the college level. The education of too many of our people ends with high school or before. The early need is further emphasized by the growing interest in the reduction of the voting age to eighteen, already approved by the people of Georgia.<sup>1</sup>

It would be none too easy to achieve agreement, even among educators who are deeply concerned over this problem, on the best way to teach the young citizen. But if half the earnest attention were given to this matter that is devoted to football, orchestra, or cooking, vast improvement would seem inevitable. How, for instance, would we teach our youth to overcome the unwillingness of the "best people" to participate in local elections as candidates, campaigners, and even voters? Knowledge, familiarity, and experi-

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<sup>1</sup>See p. 447 this issue.

ence should be capable of solving that; but, as Dr. Jones, Richard Welling, and others have so well said, the average junior and senior high school are despotisms in which the young people have little or no opportunity to share responsibility. As it is now, this experience seems almost ideally designed to accustom people to take orders from political "leaders" for the rest of their lives or to develop a conviction that it

doesn't matter much what they feel or think about what goes on around them.

The school and the community should be the elemental training ground for citizenship. It has been demonstrated that they can be. The fact that, for the most part, they are not, constitutes one of the major challenges not only to educators but to all others who understand what the fighting is about.

## "For THIS We Fight"

**I**N Kansas City, Missouri, where the people are on the march toward civic betterment, the Civic Research Institute has been doing an inspired job of educating and needling the voters into preserving the gains which have been made since the breaking of Boss Pendergast's power.

In addition to issuing attractive, understandable reports designed to help the people know how their city is being operated, the Institute has pioneered the local use of public opinion polls<sup>1</sup> on questions which serve the double purpose of fact-gathering and shocking the voters into the realization of how little most of them know about their

municipal and county governments.

One of the Institute's most recent shockers is a pamphlet ten inches by eight, profusely and cleverly illustrated with sketches and pictographs of high professional competence. Hand-lettered throughout and primer-like in appearance and text, it is entitled "For THIS We Fight," with the secondary title on the cover, "A story about democracy—for children of all ages."

A word description is scarcely adequate to reproduce the effect gained by the paging and the placing of illustrations in relation to and within the text, usually one paragraph with illustration to a page, which deplores popular indifference to elections:

This is a story about an election in a GREAT democracy.

On a Tuesday, in November 1942, the people living in a city sometimes called the Heart of America were going to hold an election. Of course, they weren't going to elect a PRESIDENT at this election, but it still was a VERY important election.

CONGRESSMEN were to be elected who would make the laws that run the nation; who would decide how the war should be run and who might help make the peace. (Many people said, "a WISE peace is just as important as winning the war".)

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<sup>1</sup>See "Kansas City Goes A-Polling," by Loren B. Miller, NATIONAL MUNICIPAL REVIEW, January 1943.



People who make the laws and run the STATE . . . one of the 48 states in this great country . . . were to be elected.

Other people to run the COUNTY . . . the second largest county in this state . . . were to be selected.

Important amendments to the State CONSTITUTION . . . the basic law of the State . . . were to be approved or turned down (certainly ALL the people deciding on what laws should govern them is democracy at work).

It was also to be decided whether the WHOLE State Constitution (which was 75 years old) should be done over to fit modern times.

Finally, amendments to the city CHARTER (the basic law in this city) were to be decided upon.

IN ADDITION—At that time, the country in which the people of this city lived was at WAR, a war to decide whether DEMOCRACY should be preserved.

Now democracy was something these people deeply CHERISHED. As a matter of fact to protect it they were eating less, they were playing less, they were working harder, they were paying more taxes, they were buying VICTORY bonds, they were seeing their sons and husbands and brothers go away to fight for that democracy . . . In the midst of all this any democratic election would be VERY important.

As a matter of fact, when asked the *day before election* whether they thought people SHOULD be MORE or LESS interested in elections during wartime, 64 out of every 100 thought everyone SHOULD BE more interested; only 9 thought war was an excuse for less interest.

And, to prove they thought this was an important election, out of every 100 who *could* vote (some didn't have their names in the book), 82 were quite SURE they would vote *the next day*. 15 were uncertain. Out of the entire 100, only 3 said they were quite sure they would NOT vote.

So all in all, while not *perfect*, it still wasn't too bad, and the end to this story should be that the next day they all went to vote.

BUT DID THEY? [2-page spread in 4-inch letters—Editor.] Well, to begin with, as we've already said, out of our 100 people some COULDN'T vote for some reason or another. To be exact, 10 couldn't vote because they weren't citizens or hadn't lived there long enough.

So they didn't vote and that left 90—

Then 10 more were sick (or said they were) or out of town (or said they were, as some said they didn't register because they were out of town but that isn't much of an excuse).

So that made 20 who didn't vote and left only 80.

6 others said they had moved and that they just didn't get around to tell the voting officials about it (which isn't much of an excuse either). So they didn't vote, making 26 and leaving 74.

Well, then there were some others who decided they were too

"pre-occupied", "busy", "tied-down"—without explaining what was more important *all through* the day than VOTING.

So 15 more didn't get around to vote, making 41 and leaving only 59.

This certainly was getting BAD! But it wasn't the WORST! When noses were counted there were 30 *more* who said they didn't vote for one reason or another—all of which were very POOR reasons! 9 didn't know, just forgot, or had NO particular reason; 12 admitted LACK of interest or claimed to be UNINFORMED (which is lack of interest because it wasn't very hard to become informed if anyone wanted to). 4 said "*politics is crooked*" or that their vote wouldn't accomplish anything anyhow.

Which made it very, very SERIOUS, for when the

10 *who weren't eligible*, were added to the

10 *who were sick or out of town*, plus the

6 *who had moved and hadn't done anything about it*, and the

15 *who were too busy, tied down, etc.*, were all added to the

30 *who just didn't seem to care*, that made

71 good, loyal (?), grown-ups living in this GREAT democracy who COULDN'T, WOULDN'T OR DIDN'T VOTE—

and left only 29 out of the entire 100 who did feel that the RIGHTS for which THEIR country was FIGHTING were worth USING.

For this we fight!

The final page is a drawing, in the many homes two generations ago. style of the old mottoes and uplift- Neatly framed and in old English ing exhortations which hung in so lettering it reads:

#### *Moral*

Patriotism, or even just plain everyday Good Citizenship, comes easy as long as we don't have to do much except talk about it.

— Buy United States War Bonds and Stamps —



# New Jersey Reaps Fruits of Good Municipal Finance Laws

*The most important task ahead is to hold the fort against efforts which may be made in the future to subject its new laws to weakening amendments.*

By **ROBERT C. HENDRICKSON**

*State Treasurer of New Jersey*

and

**ALVIN A. BURGER, Director of Research**

*New Jersey State Chamber of Commerce*

**T**HE head of a prominent mid-western investment house recently visited New Jersey to make a personal investigation of certain statements he had read or heard which he considered too good to be true. These statements depicted a rather remarkable picture of municipal financial improvement in a state whose government was associated in the popular mind with many a story of public mismanagement and political corruption.

The investor's tour of inquiry, when completed, satisfied him that the encouraging statements he had heard concerning New Jersey's financial progress were substantially true, and upon his departure homeward he said to a state official: "You ought to take steps to give the rest of the country—and particularly those who deal in municipal securities—the true facts about what has been done to put New Jersey's public finances on a sound basis. The governmental ills of your state have been widely publicized, but your good works are little known by the country at large."

This seemed to be sound advice, and the article which follows is intended as a well aimed first step in that direction.

The over-all New Jersey picture shows that within the period of the last ten years, as a result largely of the enactment of a series of important local finance laws and of the continuous statewide activity of well organized taxpayers', business, and civic groups, the financial standing and the general administration of New Jersey's 566 municipalities and twenty-one county governments have undergone a process of improvement perhaps unmatched by any other state in the Union.

This improvement has been achieved without the enactment of replacement taxes and without benefit of any undue amount of federal aid or subsidies. No magic or hocus-pocus is to be found in New Jersey's formula. Progress has come the hard way—through steady, persistent work, carefully planned legislation and a constant public vigil and resistance against all efforts to tear down that which has been so painstakingly built up.

New Jersey has long since begun to reap the fruits of its decade of good work, and each passing year reveals a steady increase in the harvest. Statistics cannot chart the increased efficiency and adequacy in the administration of the various

public services in most of the municipalities and counties. However, figures can be used to indicate some important changes in the financial picture.

Last year, 1942, marked the third successive year that the majority of the state's 566 municipalities showed a reduction in their all-purpose property tax levies and tax rates. (In New Jersey the municipalities collect school, county, and state-school property levies, as well as those imposed for the support of municipal government.) Figures for 1943 reveal that a majority have again reduced tax rates, with the number of levy reductions about even.

The aggregate statewide property tax levy for all purposes has begun a downward trend. It dropped from \$262,383,802 in 1941 to \$250,548,264 in 1942—a reduction of \$11,835,538.<sup>1</sup> The total levy for 1943 shows a further reduction of \$190,891 despite local salary adjustments and defense expenditures incident to the war situation.

The gross debt burden of New Jersey's municipalities, counties, and school districts declined from \$1,212,000,000 in 1932 to \$856,000,000 at the end of 1941—a debt reduction of 29.4 per cent as compared with a nation-wide local government gross debt reduction of 8.5 per cent during the same ten-year period.<sup>2</sup> Last year—1942—New Jersey's aggregate gross local debt was further reduced by \$46,000,000.

The decrease in the local gross debt is paced by a sharp decline in New Jersey's state government debt, which has been cut almost in half since 1935.

The current or floating debt of New Jersey local governments has fallen from a peak of \$183,254,615 in 1933 to less than \$10,000,000 in 1942.

<sup>1</sup>These and other figures used here were secured from the State Tax Commissioner, the Department of Local Government, and the State Treasurer.

<sup>2</sup>See "Indebtedness in the United States: 1929-1941," p. 26, U. S. Department of Commerce (Economic Series No. 21).

All twenty-one counties, and 556 of the 566 municipalities, are now operating on a cash or "pay-as-you-go" basis. Laws enacted in 1936 and 1938 require that sufficient cash must be collected by local units during the year to meet in full all budget requirements for that year. Eventually every local government must operate on this basis.

Property tax collection records show that the rate of current tax collections rose to an all-time high of 87.3 per cent last year.

A more conservative general practice now followed in assessing taxable property has led to a gradual reduction of 17½ per cent in total assessed valuations since the peak year of 1930.

#### Defaults Decline

In 1934 there were ninety-four local government units in New Jersey in widely varying degrees of debt default. The number of these defaulting municipalities rapidly declined, however, when the new cash basis, debt, and budget legislation went into effect, and today there are only four local units (all small) in default of debt payments.

The sharp upward trend of the twenties and early thirties in municipal operating expenditures has been generally curbed. A very moderate rise is currently indicated, due largely to wartime salary and wage adjustments and defense expenditures.

Local budgeting, borrowing, and financing procedure are now strictly regulated by a strong and well administered state supervisory agency—the Local Government Board—under the new state laws. Budget-making and financial reporting by municipalities, counties, and school districts follow a pattern of uniformity which is painstakingly enforced.

Uniform provisions for the bonding of local finance and tax-collecting officials and employees have been set up by the Local Government Board.

Let it be emphasized again that these fiscal improvements did not burst upon New Jersey overnight.



The measures which brought them to eventual fruition embraced a long and varied series of steps taken over a ten-year period, each step a battleground on which the forces of progress were required to contend against some very stubborn political opposition. There were occasional defeats along the way for the proponents of sound improvement, but the final victory was quite complete, and many of those who first opposed reform have since come to recognize the hard, common sense of the new fiscal controls.

The financial debacle that confronted New Jersey's local government back in 1932 and 1933 came as a result of a widespread administrative and legislative let-down which occurred during the "booming twenties," when New Jersey's rapid industrial expansion and population growth necessitated capital improvements on a huge scale—paved streets, sewers, schools, parks, municipal buildings, fire houses—and the public debt rose along with assessments and tax rates. This period of "high finance" seemed to produce administrative laxity all along the line—from tax collections to the arrangement of bond maturity schedules. State supervision and control of local finance were weakened and overridden. Each legislature turned out reams of mandatory local spending laws. The taxpaying public didn't seem to mind or even to bother to keep abreast of what was happening at the time. Everyone was too busy making money in those days.

Then came the depression, and the piper had to be paid.

When municipalities began to find

themselves in straitened circumstances, property owners were quick to organize and to demand drastic budget economies. They prevailed upon the 1933 legislature to suspend all mandatory spending laws in order to give local officials greater latitude in cutting costs. Hundreds of officeholders who did not see fit to heed these public demands for economy were sooner or later replaced by others who would and did.

#### **Citizens Demand Efficiency**

When the inevitable pressure came from spending groups to impose new forms of taxation to "replace" part of the ever-increasing tax burden borne by real estate, the property owners themselves offered the most strenuous resistance to what they considered a specious panacea for the financial ills of New Jersey's local governments. They were exceedingly skeptical of the efficacy of new taxes, and maintained that governmental economies and more business-like management alone could bring the lasting relief needed by real estate owners. A retail sales tax passed by the 1935 legislature proved short-lived when a thoroughly aroused and enraged public demanded and secured its immediate repeal. Since that time, both major political parties in the state have stood committed against new taxes.

Public demands in New Jersey for more efficient and economical administration of local government, and against new and additional tax burdens, were implemented from the beginning by sound, effective, organized effort on the part of leagues of women voters, taxpayers' associations, chambers of commerce, savings and loan leagues, and other civic

groups, both local and statewide. This solid front has since been maintained. Equally important is the fact that solutions to New Jersey's major public finance problems were arrived at not through hastily-considered action, but after much study, thought, and discussion by well qualified public officials, legislative leaders, and research agencies. These thorough-going explorations were largely responsible for most of the desirable new laws subsequently enacted, and for the greatly improved machinery of local administration.

The first cash basis legislation was enacted in New Jersey in 1933 and 1934, but these measures applied only to a limited number of municipalities. In 1935 a local bond act was passed, placing much needed restrictions upon the borrowing activities of municipalities. It required, among other things, that all bond issues in the future be serial issues. In 1936 a local budget act was enacted, restricting current borrowing and committing all municipalities to an eventual cash or "pay-as-you-go" basis of budgetary operation.

#### **Provide State Supervision**

In 1938 four new measures were enacted, providing for the establishment of a State Local Government Board with broad powers of supervision over the entire field of local government finance. These were known as "the Princeton bills," having been drafted by the Princeton Local Government Survey, a privately supported research organization, in coöperation with a number of legislative leaders and outstanding municipal finance authorities. An excellent article, written by a member

of the Local Government Board, explaining in detail the way in which these new laws operate, appeared in an earlier issue of the *NATIONAL MUNICIPAL REVIEW*.<sup>3</sup>

The financing of poor relief remained a vexing problem in New Jersey until comprehensive financial assistance legislation was finally enacted in 1940, setting up a sensible system of state aid to municipalities which emphasized not only standards of adequacy in relief giving, but also standards of efficiency and economy in local administration. The legislation also created a state supervisory agency which has been performing in a most competent fashion in controlling relief expenditures.

In 1941 the legislature solved another difficult finance problem of long standing—that dealing with the taxation of railroads in New Jersey. The old laws, taxing the roads solely on the basis of property valuations, had led to diminished revenues, protracted and costly litigation, and general chaos in tax administration. The new laws provide for two taxes—a limited property tax on valuations, and a franchise tax based on net railway operating income. Receipts for 1942 under the new railroad tax laws greatly exceeded those realized under the old formula.

One outstanding serious tax problem remains unsolved in New Jersey. Under present laws tangible and intangible personal property is required to be assessed at true value and taxed at local property tax rates.

(Continued on Page 436)

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<sup>3</sup>"A State Department of Local Government," by Samuel D. Hoffman, *NATIONAL MUNICIPAL REVIEW*, May 1939.



# Unemployment Compensation: Federal-State Cooperation

*Wherein the author sets forth his reasons for urging that the states retain their present opportunities and responsibilities in the unemployment compensation field.*

By PAUL A. RAUSHENBUSH

*President of the Interstate Conference of Employment Security Agencies*

EDITOR'S NOTE.—This article is a reply to one published in the May 1943 issue of this REVIEW, in which Mr. A. J. Altmeyer, chairman of the federal Social Security Board, advocated a uniform national system of unemployment insurance.

THIS country now has a coöperative federal-state system of unemployment compensation which leaves wide discretion to the several states as to the substance and administration of their laws. I favor the continuance of that general system and further improvement of the state unemployment compensation laws by state action.

Mr. Altmeyer's recent article urged the substitution of a uniform national law in place of our present system of state laws. This "reply" seeks to answer his main arguments, and to set forth at least some of the reasons for urging that the states retain their present opportunities and responsibilities in the unemployment compensation field.

Any attitude on the "federalization" question here at issue should be based on two general considerations. First, concern about the specific program and the protection of wage earners against unemployment. Second, concern about government, and the effects which nationalization of this major program would have on government functioning.

In brief, the states have done rather well—and have made real progress—in administering and improving their unemployment compensation laws. But the state laws should—and doubtless will—be further strengthened. There is some doubt whether a straight national system would do much better, in actual practice as distinguished from discussional blue-prints of perfection. Even if a national law could provide benefit levels above those now found in most state laws our present coöperative federal-state system should nevertheless be worth preserving in order to maintain a sound balance between the functions of our state and national governments. Some shortcomings in immediate results might well be outweighed by the long-range importance of preserving back-home democracy in as many fields as practicable.

It should be noted, before turning to specific unemployment compensation problems, that the federalization issue in this field is of great long-run significance for the future of this country and our way of life. The "employment security program" itself is a major one—including both unemployment compensation and employment service, with about forty million workers and nearly a million

employers covered by the present state laws, and over four billion dollars already accumulated in state unemployment reserves. Beyond all that, however, the efforts to "federalize" unemployment compensation are closely tied in with current plans for a completely national system of social insurance, with state and local participation in the whole broad field of social security confined to a narrow vestige in public assistance matters.

It is high time to consider whether state action shouldn't play a major role in extending social security into new fields—such as sickness, hospitalization, and health insurance—instead of leaving to centralized national action all these future government functions, as well as those fields—workmen's compensation, employment service, and unemployment compensation—in which the states have been functioning in the past.

If the national government were to succeed in taking over the entire field of social security a tremendous stride would have been taken toward centralized control over the daily lives of most citizens, and away from the functioning of state and local units of government. With many Washington officials regarding state and local units primarily as barriers to national progress, our federal-state system of unemployment compensation is now one of the important bulwarks of democratic back-home government against undue centralization of the public's business.

One other preliminary comment. Though the war naturally affects all our social thinking, it is well to remember that our federal-state system

of employment security is a permanent long-range program. Some war-time changes, including the current loan of state employment services, may well be needed to help meet war-time conditions; and other changes may yet prove necessary to help meet postwar problems; but it would be shortsighted to stretch unemployment compensation beyond its valid limits. It can and should serve covered workers as an effective "first line of defense" against postwar lay-offs, but it could not properly carry the whole unemployment load even if federalized. So we shouldn't be stampeded by the war emergency into distortion or nationalization of a program which must serve us well for decades to come.

#### Progress under State Laws

One of Mr. Altmeyer's substantive criticisms of our present system of state laws was that they afford inadequate *benefit protection* to unemployed workers. Though he probably had some "adequacy" yardstick in mind, he has often recognized that social legislation can never be considered complete or final. Its test is progress rather than perfection. How then do state unemployment compensation laws meet such a test—with respect to their past and present benefit provisions?

The states have made a great deal of progress during the past few years toward more adequate benefit protection—even though the Social Security Board hasn't advertised the liberalization of state laws very heavily. (Mr. Altmeyer's article did admit that "benefits have been made somewhat more adequate".) Incidentally, most



states started out with the conservative formulas recommended by the Board's staff. Their subsequent progress is shown by major improvements—made since benefit payments started in 1938 or 1939—in such main provisions as waiting periods, weekly benefits, duration of benefits, etc.

Notable liberalization has applied to benefit *waiting periods*. These have been greatly reduced by nearly all states to less than half their original levels. Most laws not only started out with an initial waiting period of two or three weeks but also required two or three added weeks for later spells of unemployment within the same year. At present a large majority of laws require only a one-week waiting period and nearly all the rest are down to two weeks per year.

#### Benefits Increased

Similarly, there have been substantial increases in the *weekly benefit amounts* payable to unemployed workers. At the start, for instance, only two laws had a top rate above \$15, which was the standard "maximum" used by all other states. The top rate now exceeds that level under twenty-eight laws with twenty-three using a maximum of \$18 or more—lowest laws, \$15; highest law, \$22. At the lower end of the benefit scale few laws originally provided any fixed minimum rate, whereas all do now. Though a few low-wage states still issue some checks for less than \$5, lowest weekly payments now range between \$5 and \$10 under most laws.

What about the many benefit rates—and payments—which fall between each state's top and bottom limits?

Most state laws have raised their whole level of benefit amounts by changing their formulas to use a higher percentage of earnings, and some use schedules definitely weighted in favor of the lower earnings brackets. Current variations between states are partly based on their varying wage levels.

The *duration of benefits* is clearly of major importance in making unemployment compensation an effective first line of defense for laid-off workers. Here, too, very real progress has been made during the past few years. Most state laws started with an outside duration limit of sixteen weeks, but about seventeen laws began with lower maximum durations than that and only six laws started higher. Only three laws, instead of seventeen, now limit duration to less than sixteen weeks; and nineteen laws, instead of six, now go above sixteen weeks, with a dozen of these providing maximum durations of twenty weeks or more.

Within their respective top limits, most state laws have also increased the actual duration rights of most of their covered workers, either by providing for flat uniform duration or by using a higher percentage of earnings in determining benefit rights.

Combining each law's maximum benefit rate and duration, forty-eight out of fifty-one laws now provide total benefits ranging from \$240 up, and fourteen of these provide \$360 or more.

Much of the progress thus summarized occurred before 1943; but some improvements were enacted this year, as indicated in the July issue

of this REVIEW: "In the field of unemployment compensation, much has been done. Over twenty states liberalized the provisions of their laws in this regard, raising maximum and minimum payments, the period during which payments are made, and the groups covered."<sup>1</sup>

The states will doubtless raise their benefits—and lengthen their benefit durations—to some further extent as and when they believe that experience and conditions warrant further liberalizations. Currently, however, most of them do want to be sure that they can make good, and pay out, on the substantial benefits already promised by their present laws, and still remain solvent throughout the post-war period.

#### More Workers Included

What about *coverage* under the state laws? They have made far more progress than the national law which implements them. The federal unemployment tax, as passed in 1935, applied only to employers of eight or more workers. The federal act has not yet been extended to smaller employers, as it should be; but more than half the state laws are now covering employers of less than eight workers, as they all should.

But how do *migratory workers* stand under our present system? As Mr. Altmeyer's article noted, the Committee on Economic Security thought this problem difficult to handle under state laws but not insoluble, and recommended it as a major subject of study by the "fed-

eral administrative agency." Though that agency has given the migratory-worker problem disproportionate publicity, it can fairly be said that the states have given it more practical attention and have contributed far more to its solution.

Workers who build up substantial benefit rights in one state and then move to another do not lose those rights. They can claim through the state they're in under a coöperative interstate plan which has worked smoothly for several years. Nor is any benefit problem created by those workers who migrate to regular war jobs for the duration. They are building up full benefit rights where they work and can later collect on them wherever they may then be located.

The problem which concerned Mr. Altmeyer so much is limited to certain multi-state workers who are employed in several states but fail to earn sufficient credits in any one to qualify for benefits. The numbers who lose benefits in that way are not large and their problem is far from insoluble. In fact some forty-two state laws now authorize coöperative interstate arrangements for combining benefit credits in such multi-state cases, and the states have been developing a suitable "combining" plan which many of them will be adopting before the close of 1943. So this stock argument against state laws will soon begin to vanish.

Considering the substantial benefit liberalizations achieved by most states within the past few years, there seems to have been more interstate rivalry to liberalize benefits than "interstate competition" to hold them down—

<sup>1</sup>"State Legislative Highlights—1943", by Herbert Wiltsee, p. 364.



despite Mr. Altmeyer's apprehensions. In many of the forty-odd "experience-rating" states employers have supported benefit improvements, in order to retain experience rating, under a legislative variety of "collective bargaining" by which both labor and industry have gained. On the other hand, employers have often opposed such changes in the "flat-rate" states where they are not supposed to take any interest in benefit costs. In other respects too the interstate-competition argument is generally overworked, but space prevents their discussion.

As to possible benefit levels under a national law, are the advocates of federalization quite sure that "national" benefits would be much above those now provided by the more liberal state laws? Even big promises have to be paid for. Isn't Congress likely to count the costs and to consider the probable impact of benefit levels on industrial operations? Even though the national plan would of course eliminate experience rating—because all the "federalizers" are opposed to varying employer contribution rates in accordance with their varying experience—would that remove the concern of employers and other taxpayers in the ultimate costs and industrial effects of the proposed national benefits? Legislation doesn't always follow the advance blue-prints.

National action might possibly level down as well as up, and the more liberal states could no longer furnish the spearheads of legislative advance which have improved our present system. National action would put an end to state pioneering

and experimenting, and it might even lack the relative stability of state laws in periods of national economic or political upheaval. Used as a shortcut nationalization might some day result in cutting short the program or in its conversion into a mere "relief" system.

#### Postwar Solvency

The unemployment reserves of the states already total about four and one-third billion dollars. If the war lasts one and a half more years they'll probably exceed six billions by the spring of 1945. How long the war will last and how long conversion to peacetime production will take are the major factors—and uncertainties—in estimating the probable adequacy of the various state funds to meet their promised postwar benefit payments.

Postwar benefits are bound to be heavy at best, so it is clearly vital for each state to build "adequate reserves" during the war years. Most states apparently believe that their unemployment funds are—or will be—adequate, at least by the close of the war.

Yet Mr. Altmeyer suggests that "in a number of states" the funds "are by no means secure." Which states? His Board—presumably the best place to secure such comparative data—has thus far refused to specify which state funds may prove shaky; so it has been difficult to know just where needed action has thus far been lacking. In general, however, the more wartime expansion a state has had the larger its unemployment reserve will need to be.

Mr. Altmeyer's article cites the case of a war-expanded employer who

will have to lay off thousands of war workers when victory has been won, asks "how a state with hundreds of such employers will be able to meet its obligations," and implies that state-by-state action cannot solve this problem. Yet he knew—or should have known—that some states had already worked out an adequate answer to this problem.

In brief, the wartime payroll expansions of such large employers will mean roughly-proportional increases in postwar benefit payments to their workers. So the expanded employers should be required to pay correspondingly higher "war-risk" contribution rates, to assess fairly the costs of wartime expansion and to assure the postwar solvency of each state fund.

Nine states have so far enacted this answer in one form or another, and have thereby shown the way to any others who may need to strengthen their funds for the postwar impact. Some additional states may yet act similarly if their estimates and/or federal estimates show a clear need—unless the virus of "let-Washington-do-it" has badly infected this field, as it has so many others.

#### State Administration

Mr. Altmeyer recognized as early as 1940—after only two years of benefit payments—that "all the states . . . are solving the administrative problems involved with a high degree of success".<sup>2</sup> Relatively low costs—compared to Britain's—and continuing improvement have marked state administration generally, even though some states have done better than

others. The back-home folks seem rather well satisfied.

True, there have been some administrative frictions between the federal and state agencies involved but hardly enough to justify repudiating federal-state coöperation. The nationalization issue naturally produces some friction. So do 100 per cent federal grants, but that arrangement isn't inherent in the system and might well be modified.

Mr. Altmeyer's article cited reporting by large multi-state employers to various states; but that really isn't very burdensome, especially where their records and reporting are decentralized so that each plant reports to the state where it is located.

As to government record-keeping, Mr. Altmeyer's contrast between one and fifty-one sets of records sounds much worse than the facts warrant. One centralized federal set of lifetime records is maintained for old-age purposes, and another more current set—decentralized among the states and covering only a year or two—is used to deal with the rapidly changing benefit status of laid-off workers.

The administration of unemployment compensation is inherently more complex than that of old-age insurance, so national experience with the latter program might not apply to the former. Unemployment benefit eligibility may change from week to week and involves far more frequent—and often more controversial—contacts with employers and workers than is true of the national old-age program.

Mr. Altmeyer once told state administrators: "The Board is of the opinion that a national system would

<sup>2</sup>Address to American Association for Social Security, March 30, 1940.



have broken down under the initial impact of the administrative difficulties which you have been able to surmount with such a considerable degree of success."<sup>3</sup>

Can federal officials—and the public—have confidence that a centralized national system would not break down under the far heavier impact of postwar layoffs? State organizations may be a good deal more flexible than a big national one.

There will always be a deal of truth in the Brandeis phrase "the curse of bigness" and in its thesis that smaller units are often more efficient than big ones—in government as well as in business. The smaller units need and use less red tape. Top executives in big outfits are usually hampered by the limits of time, and of human capacity. Putting a few men in bigger jobs with larger responsibilities doesn't always make supermen out of them. There aren't very many supermen, after all, even in Washington.

#### Experience Rating

Over forty state laws now provide for some type of experience-rating system, varying each employer's contribution rate in accordance with his own unemployment and benefit experience.

Varying employer contribution rates does roughly allocate the costs involved to specific plants and products, thereby treating benefits as business costs rather than as generalized social costs. This device also affords each employer a concrete added inducement to provide the steadiest

employment he possibly can.

If the federalizers had their way, both these experience-rating principles would be discarded in favor of flat uniform tax rates, with cost variations obscured and ignored and inducements to preventive efforts abandoned. That fact is a weighty count against a national system.

Even so rich a country as ours can ill afford to ignore major cost variations, and to give up the specific extra incentive which experience rating now offers to private management for maintaining full and steady employment. That added incentive may become of major importance during the postwar years, when we all hope that private enterprise will achieve—and maintain—a record level of peacetime jobs and goods.

As Elizabeth Brandeis has said:

Of course, experience rating alone is not going to solve the unemployment problem; but it is one of the steps in the right direction. It puts emphasis on steady jobs which can increase purchasing power, and on steady plant operation which can reduce costs. These are the methods by which more goods can be sold and more jobs created . . . Experience rating must be preserved in our American compensation system because it is an integral part of a constructive attack on unemployment.<sup>4</sup>

A national system, by eliminating experience rating, would hardly promote genuine "employment security"—on the job. Is "unemployment insurance" really all we want in this field?

<sup>3</sup>Address to Interstate Conference of Employment Security Agencies, October 20, 1938.

<sup>4</sup>"The Federal Threat to State Progress in Unemployment Compensation," *American Labor Legislation Review*, December 1940.

### Centralization vs. Democracy

Turning now from these various substantive phases of our unemployment compensation system, what of our second general consideration—the effects which nationalization of this major program would have on our governing structure and its functioning? Despite the critical importance of that “abstract” question only the briefest discussion is possible here.<sup>5</sup>

Underlying most arguments for federalization of the whole employment security program are the persistent refrain that unemployment is a “national” problem, and the assumption that all “national” problems should be handled solely by the national government. There are obvious fallacies—and implications—in such thinking.

On such a basis how many other “national” problems might be found within every state and city in this country—employment and jobs, industrial accidents, education, recreation, public health, water supply, sewage, police protection, etc.? Or perhaps the next plan of the federalizers should be one for a uniform inter-American—or world—system of social security, administered by a hemispheric or world authority?—for they could certainly argue that unemployment is a world problem.

But unemployment is truly a state and local problem as well as a national and international one. A worker's job and lay-off are localized. Being bound by many ties—a home,

schools, church, lodge, union seniority, etc.—he usually seeks benefits—and another job—locally rather than in any national labor market. And the “national unemployment problem” will not be solved unless regular employment is provided in each community.

The following U. S. Supreme Court comments, when upholding the coöperative federal-state system of unemployment compensation, are more relevant to the *policy* question—of proper state and national functioning—than Mr. Altmeyer's quotation as to the national power to enact old-age insurance:

Together the two statutes now before us embody a coöperative legislative effort by state and national governments for carrying out a public purpose common to both, which neither could fully achieve without the cooperation of the other.<sup>6</sup>

Alabama . . . chose to have relief administered under laws of her own making, by agents of her own selection, instead of under federal laws, administered by federal officers, with all the ensuing evils, at least to many minds, of federal patronage and power.<sup>7</sup>

State action and federal-state coöperation—in most of the social insurances and in many other fields—should hardly make the correlating of supplementary or related programs unmanageable; indeed, such problems would exist even if all the programs involved were national ones. For national enactment of a program and its administration by Washington

<sup>5</sup>For a more adequate treatment, see “Centralization and Democracy,” by Elizabeth Brandeis, in *Survey Graphic*, December 1942.

<sup>6</sup>*Carmichael v. Southern Coal Co.*; 301 U. S. 495, 526.

<sup>7</sup>*Steward Machine Co. v. Davis*; 301 U. S. 548, 590.



officials do not always assure its perfect integration with all other related programs administered from Washington—to say nothing of related state and local activities, which may also be important. And there would seem to be little danger that our national government will lack enough postwar and peacetime tasks of a kind which only it can handle.

Though many varied problems—unemployment, industrial accidents, illness, education, etc.—may have some national aspects, it is clearly vital for a democracy to maintain effective participation in government affairs by ordinary citizens, and therefore to preserve municipal and state functioning wherever practicable. For the country is too big, and Washington is too remote, for ordinary citizens to participate effectively in any “uniform national system” even though it closely affects their daily lives.

The federalizers’ passion for nation-wide “uniformity” not only runs counter to the stubborn facts of regional diversity, but also ignores the importance of scope for diverse local policies. For instance, the nationalizers object to state variations in unemployment benefit levels and disqualifying provisions. But does it follow that Congress should uniformly impose the judgment of federal government or labor officials in such matters? Aren’t such questions better left to the citizens and legislatures of the respective states, even where the central government is—and always will be—both benevolent and wise?

In the important sphere of actual administration, Mr. Altmeyer’s article dismisses as unwarranted the fear of

“a huge bureaucracy”—and protests that a uniform national system would not necessarily mean “centralized administration”. Nevertheless, he was probably nearer right a few years ago, when he still favored federal-state coöperation but made the following comment on a straight national system: “From an internal administrative standpoint, it is much easier to set up a hierarchy of federal officials with orders being issued from the top and being carried out without question by subordinate officials.”<sup>8</sup>

He now believes that local advisory and appeal boards might enable a national law to operate flexibly and democratically, and cites the good work done by various local war boards. But the analogy doesn’t fit because the war boards have had rather wide discretion. So his hopes for genuine local participation in operating a uniform national system would be apt to prove illusory. As Tocqueville—that wise French student of government and the democratic process—warned a century ago:

When the centralized power . . . invokes the assistance of the citizens, it says to them, “You shall act just as I please, as much as I please, and in the direction which I please. You are to take charge of the details, without aspiring to guide the system . . .” These are not the conditions on which the alliance of the human will is to be obtained; it must be free in its gait and responsible for its acts, or (such is the constitution of man) the citizen had rather remain a passive spectator than a dependent actor in schemes with which he is unacquainted.

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<sup>8</sup>Address on March 7, 1940, in Wilmington, Delaware.

# State of Washington Views Postwar Problems

*Looks with optimism to the postwar period and lays plans for use of new resources and methods developed during nation's war effort.*

By P. HETHERTON, *Executive Officer*  
*Washington State Planning Council*

POSTWAR problems came to the state of Washington well before Pearl Harbor and the nation's entrance into the conflict. Late in 1940 and early in 1941 lend lease and defense preparations brought new industrial activities to the state, activities which have been intensified and diversified since the attack on December 7, and which, with the army of workers that accompanied them, have created the problems to be dealt with now and in the readjustment period that will follow the war.

The Washington State Planning Council, reporting to the Governor of the state in October 1940, set forth its long-range view of the situation, which still obtains, in the following words: "It [the Council] not only believes that present gains in resource conservation should be maintained but that as far as possible present expansion in war industries and activities should be so directed that a much broader and better balanced economy for the state will result in our return to a peacetime basis." A revision of this report in October 1941 added, "While the state shares so largely in the preparation for all-out defense, new opportunities are offered to lay the foundation for a more abundant peace." In other words the Council believed then, and still believes, there can be

no clear line of demarcation between war and peace. What we now do to win the war will have an effect on our peacetime economy.

Our industrial pattern is changing. Low-cost electric energy from two great dams—Grand Coulee and Bonneville—is expanding this picture to include production in fields heretofore not represented in the state's economy. As is happening all over the country, many years of progress are being compressed into a few, and new developments are establishing for years to come the economic pattern of state and region.

Our postwar problems, then, will be those of an area with plants and equipment designed for special mass production jobs which will need to be converted; labor with highly specialized skills to be re-educated; too much electric energy devoted to production of primary materials—aluminum, magnesium, etc.; a deficiency of remanufacturing; marginal mines, industries, and farms; serious social maladjustments.

In considering postwar readjustments the Council, so far as possible, has attempted to confine its considerations to the state itself. What can the state do to meet the many problems of peace? What laws should be enacted or amended in order to give the fullest encouragement to private



enterprise? What should now be its tax policy? What should it do about a well considered program of public works including public buildings and natural resource conservation in keeping with the state's ability to finance them, that is, independent of federal aid? In what ways can cities and counties be encouraged to adopt the same procedure?

#### Public Facilities Taxed

It was in the defense period that the first rush of "defense" contracts and the expansion of military establishments began to overload public facilities of schools, transportation, housing, hospitals, water supply, sewage disposal, and recreation. At this time, to assist public officials in meeting these new problems, which in most cases were beyond the financial abilities of local governments, the Council supplied technicians to prepare reports on which to base requests for financial aid. Valuable assistance was obtained through the coöperation of the state departments of health, education, and highways, and from others representing state, local, and federal agencies. With the passage of the Lanham Act in June 1940 and the reorganization of the National Housing Administration, funds for needed improvements helped these communities meet otherwise impossible situations. The Council worked through city and county planning commissions and local housing authorities, and where these did not exist, it encouraged and assisted their organization.

Industry too has been encouraged. During the last biennium, 1941-1943, and now in this biennium, 1943-1945, at the direct request of

Governor Arthur B. Langlie, \$150,000 was appropriated by the legislature from the state's general fund to the State Planning Council "for research in connection with furthering the development of industry and agriculture within the state of Washington." With these funds research has been and is being conducted at the University of Washington, the State College, and through certain of the state departments to develop uses for our natural resources and to bring about greater industrial diversification. The state's economy has depended too much on forest products, and on the production of semi-manufactured goods, but with the war effort there has come to the state pig aluminum and magnesium plants, the manufacture of ferro-alloys and certain chemical operations. Research is now being directed to provide the raw material supply for our pig aluminum and magnesium plants so that they will have a chance to operate following the war.

At the state level a basis for a six-year public works program has already been developed and a preliminary report, *Six-Year Public Improvement Program for the State of Washington*, has been issued. It is the Council's belief that counties and cities should be encouraged to produce and maintain similar programs, and that state assistance in this work should be forthcoming if needed.

Working in still another field, the Council last July held the initial meeting from which its present post-war activities have developed. From this meeting came the proposal that a statewide committee be appointed,

consisting of representatives from various organizations of manufacturers, bankers, lawyers, labor, farmers, service groups, women's clubs, chambers of commerce, miners, transportation, and export and import groups. At the same time the Council named a five-member technical advisory committee to undertake research and to be prepared to find the answers to a number of problems which the state committee would propose.

The first task of the smaller technical committee was the assembling of data on the size of the postwar problem facing the state as evidenced by (1) the great increase in population, and (2) the number of new industries established. This information has been issued by the Council in a mimeographed publication entitled, *War and Postwar Readjustments: Preliminary Statement*.

#### Program Outlined

The Council's program for the state may be summarized as follows:

1. A thorough inquiry into the size of the problems to be met, followed by proposals to meet them.

2. Encouragement to various groups to study their immediate problems. This has the double purpose of educating ourselves and the public.

3. Every encouragement to private enterprise to meet the problem of providing full employment.

4. Public works programming at state, county, and city levels.

5. Creation of capital reserve funds. (Cities already have this power.)

6. Study of legislation and taxation to provide maximum encouragement, in keeping with good public policy, to private enterprise.

7. Service to county and city planning commissions to aid them in

zoning—particularly rural land zoning—and public works programming.

8. Continuation of research to develop new industries using our natural resources.

The organization of the larger committee, proposed by the Council at its July meeting mentioned above, proceeded rather slowly. The state legislature convened in January of this year, and it was thought well to postpone meetings until the deliberations of this body were completed. Representation for the committee was sought from all the organizations and associations in the fields named above, and almost without exception appointments were made. It was the Council's hope that with such broad representation each member of the committee would bring to the general meetings the thoughts and ideas of his particular group and would, in turn, take back to his own organization the thoughts and ideas of the general committee, and that in this manner the best thinking of various state groups could be collected and exchanged to the benefit of all. In further explanation of the purpose of the committee, the letter to appointees calling the first meeting contained the following paragraph:

Because postwar problems are so extensive (world wide) it is thought well to confine our thinking to state problems, recognizing, however, the strong influences of national and international policies. (It may also be well to be prepared to compare notes periodically with our neighboring states.) Our final objective should be full employment in private enterprise for our employable citizens, recognizing fully the needs of our citizens now in military service and the thousands of new residents. At the same time public aids that may be



needed in the transition period from a war economy to a peace economy should be reviewed. If we can, within ourselves, accomplish these objectives, and if each state can act similarly, the democratic process will be greatly strengthened and our citizens better able to view national and international problems in their proper perspective.

To date, two organizational meetings of the statewide committee have been held, one in Seattle and one in Spokane. Central theme of the discussion in both was the matter of postwar employment which was unanimously conceded to be the major concern of the committee.

Some indication of the size of the problem is contained in the fact that since 1939 man-hours of employment in the state have zoomed from 413,000,000 to 776,000,000 in 1942; the population from 1,736,191 to an estimated 1,970,722 as of March 1943. Private enterprise must solve this problem, said the representatives of industry; public works have a place in the program, said a city commissioner, let's have the plans and finance them as we can; set aside reserves now in city, town, and state—then we'll be ready, said another.

#### Community Committees

Varying points of view were reconciled in a procedure, first outlined in Seattle and later accepted in Spokane, which seeks to stimulate local action and self-analysis on the part of communities and cities. The statewide committee recommended the establishment of a post-victory employment committee in each community of the state, with a membership that would include: two em-

ployers, two employees from organized labor in the larger towns, from local sources where labor is unorganized; one professional person, a doctor or lawyer or similar representative; one educator from the public school system; two youths between the ages of eighteen and twenty-two who are recommended on the theory that young people of this age will live the lives being planned for them; one representative of the city or local government, a person who can add up all the public works needed in the city; one householder; one farmer; one representative from the armed services, preferably someone who has been in action; two representatives of the churches; and one storekeeper.

The work of this committee will be to make a survey of the community through the use of two questionnaires prepared by the technical advisory committee of the statewide organization, but adjustable to local needs. The first of these is addressed to business firms. It asks for information about their present employment situation, the number of men employed in 1940 and the number now, the use of women in jobs formerly held by men, and the firm's postwar plans. The second questionnaire is designed to discover consumer needs within the area. Successful returns are anticipated from the questionnaires, since one of the committee's duties will be a personal approach to business men. No questionnaires are to be sent by mail.

The public relations committee of the statewide committee is charged with the responsibility of executing this program. A start was made early

in June when a local "Olympia Committee for Post-Victory Employment" was organized in the capital city of Olympia and is now at work with the first questionnaire. Results here may indicate any needed changes in procedure.

Despite the emphasis on state problems, it is clear that we cannot ignore what is taking place outside—what national and international policies are being developed, or what our adjoining states are doing. As an example, the ports of Puget Sound and the Columbia River have had important places in import and export trade. Certainly national and international policies are going to have a considerable effect on the re-establishment of this activity.

Of all states, Washington may well look with optimism to the postwar period. From our war efforts we are gaining materially in experience, manpower, plant, and equipment. We shall have immense sources of low-cost firm hydroelectric energy from our private, municipal, and federal plants through a statewide high tension transmission system. Our industrial base is being broadened. New crops and new methods of processing promise well for agriculture.

These advances cannot be taken from us. The same people and the same resources which are winning the war will be with us to win the peace. We have sufficient faith in ourselves to know that we are going to win the war. Let us retain that faith and win the peace.

#### NEW JERSEY

(Continued from Page 422)

Efforts by local assessors to enforce these laws to the letter would obvi-

ously impose confiscatory burdens upon the owners of such property, and would invite disaster to the economic life of many New Jersey communities. The seriousness of this problem of "tax lightning" is now fully recognized by all concerned, and a sensible solution is expected in the not too distant future.

The most important task ahead for those who have been instrumental in bringing about financial reform in New Jersey is to hold the fort against all efforts which may be made in the future to subject the new laws to weakening amendments. Repeal of any of the important phases of this legislation is unthinkable, and is not expected. The first serious attempt to amend the cash basis laws came this spring, when Atlantic City legislators tried to secure a partial suspension of the legislation "for the duration," in so far as it applied to municipalities on the Atlantic seaboard which are "wholly or partially occupied by the armed forces." The measure was pushed through before most legislators and the general public were aware of its serious implications. It was vetoed by the Governor. The passage of a greatly modified bill finally resulted, with the vicious features of the original measure removed and applying only to Atlantic City.

This recent experience has had one good effect. It has shown the taxpayers and the more thoughtful public officials of New Jersey that constant vigilance must be maintained against such assaults upon our good finance laws in the future. Surely the gains which these laws have brought to New Jersey warrant this watchful protection.



# Treasury Committee Summarizes Its Tax Recommendations

This is the third and last of a series digesting the report of the United States Treasury Committee on Intergovernmental Fiscal Relations.<sup>1</sup>

The Committee's emphasis on coöperation rather than coercion was covered in the first installment<sup>2</sup> which included also its basic recommendations for a Federal-State Fiscal Authority. The Committee's now famous suggestion that cities consider an occupancy tax along with other reforms to strengthen local revenue was covered in the second installment.<sup>3</sup>

Here is reproduced in full the Committee's summary of its recommendations for action by federal, state, and local governments to solve a variety of pressing problems in the fiscal field. The recommendations cover not only the establishment of the Federal-State Fiscal Authority and changes in the general property tax, but also such questions as coördination of specific taxes—income, tobacco, liquor, gasoline, retail sales, business, etc.—tax immunities, multiple taxation, and other problems. EDITOR.

## XI. Summary of Recommendations in Terms of an Action Program for Each Level of Government

### I. Federal Government

#### A. For immediate action:

1. Negotiate with state representatives and pass legislation to create a Federal-State Fiscal Authority.

2. Amend the income tax law to make state income taxes deductible on an accrual basis even though other expenses are reported on a cash basis.

3. Revise, modernize, and broaden the death tax credit.

4. Give the federal estate tax a thorough overhauling, integrating death and gift taxes, substantially reducing exemptions, and coördinating federal and state taxes.

5. Eliminate tax-exempt securities in a manner to secure states and municipalities against loss arising

from the taxability of their securities.

6. Defeat discrimination resulting from state community property laws by providing that they shall not apply in the operation of federal tax laws.

7. Provide a clearing house and "board of appeals" (Federal-State Fiscal Authority) for more careful and consistent treatment of payments in lieu of property taxes on federally-owned property. Such payments should be generous, especially during the war.

8. Provide a special joint committee of Congress to consider legislative proposals for payments in lieu of taxes; provide facilities for maintaining a permanent inventory of government property.

9. Allow state sales tax application to contractors working on government orders.

10. Modify and improve the coördination and efficiency in unemployment compensation by increasing the federal credit from 90 to 100 per cent and requiring the states to

<sup>1</sup>Committee members are Luther Gulick, director of the Institute of Public Administration; Harold M. Groves, University of Wisconsin; and Mabel Newcomer, Vassar College.

<sup>2</sup>See REVIEW for June, p. 297.

<sup>3</sup>See REVIEW for July, p. 380.

furnish part of the cost of administration.

11. Disallow sales taxes as a deduction in federal income tax practice; if the deduction is retained, make it general and not conditioned upon certain technicalities in the tax law.

12. Pay more heed to cost of compliance in framing tax laws.

13. Extend the civil service coverage to include all personnel engaged in federal tax administration.

14. Consider the provision of a suitable bond instrumentality for the investment of state and local surplus funds during the war. This might take the form of a non-negotiable bond redeemable after the emergency or upon a showing of war-created need, and to be matched by the federal government if used for approved public works.<sup>1</sup>

15. Continue and enhance coöperative efforts to improve state and local accounting and reporting; provide annual compilation of cost of government and total taxes.

16. Expend more effort on federal-state collaboration in the administration of overlapping taxes.

17. Repeal the automobile use tax, or, if it is retained, require receipt as a condition for obtaining a state license.

18. Further promote better uniform governmental accounting and reporting.

19. Assume the responsibility of annual calculation and publication of the over-all cost of government and other fundamental fiscal data.

20. Cultivate an attitude which

regards states and localities as partners in a joint enterprise.

*B. For immediate or future action:*

21. Develop, in consultation with the states, standard rules for income and death tax jurisdiction; develop suitable rewards for state compliance with these rules, and other suitable procedures so that the federal government may serve as an umpire in multiple taxation disputes.

22. Develop in consultation with the states rules of uniform income tax procedure; promote the adoption of such rules looking toward single administration of a relatively uniform state and federal income tax.

23. Adopt a federal-collection-state-sharing program for the tobacco tax.

24. Enact legislation providing for federal incorporation of corporations doing an interstate business.

25. Provide distribution of welfare grants to the states through a graduated bracket system as suggested in the Connally amendment.

*C. For future action:*

26. Abandon motor vehicle taxes to the states reserving the right to tax motor fuel used in aviation.

27. Inaugurate a thorough study of the cost of tax compliance and the burden of multiple taxation on interstate companies; reserve action on centralization of business taxes until this evidence is available.

28. Use a public investment technique (if necessary) to cope with postwar deflation and unemployment; dual budget; creative public works (health, housing, nutrition, and regional development); full liquidation of outlays.

29. Reduce repressiveness of the

<sup>1</sup>Written before recent developments which cover, to some extent, the needs of the states.



tax system by de-emphasizing business taxes and by equalizing burden upon equity-financed companies compared with those financed by means of indebtedness (through a partial credit to the corporation for dividends paid out).

30. Broaden federal aid to include relief and elementary education.

31. Broaden the social security program to include uncovered groups under old-age insurance and unemployment compensation. This would not only provide more equitable coverage but would also make possible some simplification of payroll taxes.

32. Recognize a national minimum status for elementary education by provision of a differential (equalization) grant.

33. Provide controls which will insure improvement in the division of educational revenues, local districting, and the quality of the educational product, at the same time insuring against coercive interference with local autonomy and minority views concerning education.

34. Provide for federal scholarships to insure the adequate development of talent through higher education.

35. In the interest of simplification, repeal federal liquor license fees retaining licenses where needed for administration.

#### *D. Contingent action:*

36. If a federal retail sales tax is enacted, provide legislative implementation and administrative action to insure the fullest cooperative use of state personnel and machinery.

## **II. State Governments**

1. Negotiate with federal representatives and collaborate in the de-

velopment of a Federal-State-Fiscal Authority.

2. Negotiate with federal officials and Congress to inaugurate a program for the elimination of tax-exempt securities in such manner as not to embarrass states and municipalities fiscally.

3. Tighten property exemption provisions; relax ceiling and uniformity requirements as to local property tax levies; develop more adequate supervision of property tax administration.

4. In collaboration with municipalities, refrain from demanding unreasonable wartime aid from the federal government, thus recognizing the importance of local independence.

5. Apply surplus revenues, where possible, to the elimination of debt and the development of a reserve against wartime loss of revenue and postwar need for public works.

6. When revenues will permit, allow federal income taxes as a deduction in calculating state income taxes.

7. Redouble attack on trade barriers, multiple taxation, and special inducements for the location of industry; use of education, reciprocal agreements, and interstate compacts toward these ends; pass legislation allowing credit to new residents for automobile license taxes paid in the same year to other states.

8. Collaborate with the federal government looking toward federal arbitration of jurisdictional disputes and joint determination and promotion of uniform practices in income and business taxation especially with regard to questions of jurisdiction.

9. Further collaborate with the federal government in the joint administration of overlapping taxes.

10. Adopt legislation on their own initiative that would make payment of federal automobile use tax a condition for the receipt of a state license.

11. Mitigate the rotten borough system by providing more adequate representation for cities in state legislatures.

12. Give more consideration to cities in the distribution of shared taxes, particularly motor vehicle taxes.

13. Adopt enabling legislation that would permit cities to supplement the general property tax with a rental tax on occupiers.

14. Adopt enabling legislation that would facilitate surplus financing during war time.

15. Adopt legislation requiring more adequate and more uniform governmental accounting and reporting.

16. Cultivate an attitude that regards all governments as partners in a joint enterprise.

17. Collaborate with the federal government on a broader and more generous program of federal aids, accepting controls but insisting that they be coöperatively applied rather than dictated.

### III. Municipal Governments

1. Negotiate with federal representatives and collaborate in the development of a Federal-State Fiscal Authority.

2. Negotiate with federal officials and Congress to inaugurate a program for the elimination of tax-exempt securities that will not fiscally embarrass states and municipalities.

3. In collaboration with states, refrain from demanding unreasonable wartime aid from the federal government, thus recognizing the

importance of local independence.

4. Apply surplus revenues, where possible, to the elimination of debt and the development of a reserve against wartime loss of revenue and postwar need for public works.

5. Broaden the property tax program by supplementing the property tax with a rental tax on occupiers.

6. Strictly interpret property tax exemptions.

7. Inaugurate a thorough-going study of possible new sources of independent local revenue.

8. Study successful procedures for safeguarding reserve funds, and enact legislation needed for this purpose.

9. Develop more metropolitan co-operation and the use of large metropolitan districts for financing functions of common interest.

10. Emphasize raw material producing districts' claim upon aids and shared taxes because their tax base does not represent their contribution to the national product.

11. Demand more equitable representation in state legislatures.

12. Demand more equitable distribution of shared revenues, particularly motor vehicle taxes.

13. Provide for more adequate governmental accounting and reporting.

14. Cultivate an attitude which regards all governments as partners in a joint enterprise.

15. Prepare for collaboration with the federal government in a postwar public investment program.

16. Collaborate with the federal government on a broader and more generous program of federal aids, accepting controls but insisting that they be coöperatively applied rather than dictated.



# Contributors in Review

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THE Governmental Research Bureau of the New Jersey State Chamber of Commerce, organized in 1915, is said to be the oldest statewide research agency in the country. **Alvin A. Burger** (*New Jersey Reaps Fruits of Good Municipal Finance Laws*) has served as its director since 1936. In addition to his various activities related to the improvement of state and local government in New Jersey Mr. Burger is chairman of the Eastern States Committee to Study Federal Expenditures, a group composed of research directors of six State Chambers of Commerce, which is working in close coöperation with the Byrd Committee and other Congressional committees interested in federal finance.

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SINCE collaborating in the writing of *New Jersey Reaps Fruits of Good Municipal Finance Laws*, **Robert C. Hendrickson** has been commissioned a major in the Army Military Government Division. He served in World War I also when, just out of high school, he saw plenty of action in the Aisne-Marne, St. Mihiel, and Meuse-Argonne offensives. Mr. Hendrickson established a law practice in his home town of Woodbury, New Jersey. In 1934 he was elected State Senator from Gloucester County and was re-elected twice. In 1940 he won the Republican nomination for the New Jersey governorship but was defeated by Governor Charles Edison in a close race. Last year the legislature appointed him State Treasurer. Senator Hendrickson has been a leader of New Jersey's forces seeking good government. He drafted and introduced much of the municipal finance legislation referred to in the present article. He is a vice president of the National Municipal League, and active also in work of the Council of State Governments.

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AFTER teaching economics for some years at the University of Wisconsin, **Paul A. Raushenbush** (*Unemployment Compensation: Federal-State Cooperation*) helped to draft and secure passage—in January 1932—of Wisconsin's pioneer unemployment compensation law. A. J. Altmeyer then brought him into Wisconsin's Industrial Commission to help apply the new statute. As director of the Commission's Unemployment Compensation Department, Mr. Raushenbush has been responsible for the administration of Wisconsin's law ever since it began operating in July 1934. He helped plan the coöperative federal-state system enacted in 1935. For the past ten years he has served as the presiding chairman of Wisconsin's Advisory Committee on Unemployment Compensation, consisting of leading employer and labor representatives, which has been a major factor in the law's improvement. He is also president of the Interstate Conference of Employment Security Agencies.

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A LICENSED mechanical engineer, **P. Hetherton** (*State of Washington Views Postwar Problems*) has been connected with the Washington State Planning Council since 1934. His first appointment was as the Council's Assistant Executive Officer, then as consultant assigned to the Council by the National Resources Planning Board; he is now its Executive Officer. Mr. Hetherton is a member of the American Society of Planning Officials and of the American Society of Civil Engineers.

# Researcher's Digest: September

*All about defense councils; readers' digest for the intelligentsia; Newark police taken to the cleaner's; state auditor in Kentucky; New Orleans spending; Alabama finance in abbreviated form.*

A RECENT timely work is the report on *State Councils of Defense* published by the **Bureau of Public Administration of the University of California at Berkeley**. What the Californians have done is (a) to gather all the facts on the subject as industriously as magpies; (b) to analyze those facts and rearrange them in six major tables: (1) a listing of the names, dates, legal basis, and history of organization of all the state councils of defense; (2) a tabular analysis of the composition of the various state councils of defense; (3) a listing of the administrative structure of the councils; (4) listings of the committees of state councils of defense; (5) facts about the funds of the defense councils; and (6) an analysis of the relationships of state councils of defense with other agencies.

The result is a highly useful compendium of information on a subject which is of no little importance in this unfortunately warring world.

## ***Pellets on Planning***

It seems only right that the benefits which the "digest" magazines have brought to the busy but literature-conscious man in the street should come at last to the harried worker in the field of public betterment. **The Bureau of Urban Research of Princeton University** has brought about this greatly desired boon with its *Selected Items from the Urban Reference* which, it announces, it will be glad to send to any interested individuals or organizations who "find it difficult to maintain contact with the wide range of current material in the field."

What the Bureau does is to extract pertinent paragraphs from books, ar-

ticles, and pamphlets in the general field of urban planning and to present them, carefully bounded by quotation marks and free of any comment, in a mimeographed sheaf of pages. Volume 2, number 6, for instance, contains a quotation on factors which may influence the future distribution of population, an extract on infant mortality in rural and urban areas, a piece on public interest in municipal improvements, some tabular material on age of urban and rural dwellings, a quotation on the need for housing, an extract on the need for a protective belt around the Detroit municipal airport, an analysis of the ownership of Manhattan real estate, and some thinking on the future of local government in New York.

## ***Newark Police***

Both frank and thorough is the report on *Police Problems in Newark* which the **Newark Bureau of Municipal Research** turned out at the request of the newly elected commissioner of public safety. A foreword by the Bureau's director terms the Newark Police Department one "which can be described for the most part only in uncomplimentary superlatives." Politics and a traditional indifference to good administrative practices are blamed for the sorry condition in which the city's guardians of law and order find themselves.

The exhaustive study which the Bureau undertook presents 150 separate recommendations for the reversal of this unfortunate situation, including better practices in the selection of personnel, reorganization of the pension system, overhauling of the unwieldy departmental structural or-

ganization, and improvements in every division of the department. The study involves 156 printed pages, and if there is anything the investigators overlooked, this reader, for one, would be very much surprised.

### Auditor

In the light of experience in Kentucky and other states, and in the light of the opinions of authorities on the subject, the **Bureau of Business Research of the University of Kentucky** has published a work on *The State Auditor* which reflects favorably on that office in Kentucky. Intended in part as a guide to good auditing practices in Kentucky, James W. Martin and his co-authors have produced a very handy compendium of experience and opinion on a subject which is always good for lively discussion among public administrators. Brought to the fore again are the reasons for the independence of a state auditing agency, the objections to the performance of administrative duties on the part of a post-auditor, and the various methods of selecting an auditor.

### Where the Money Goes

The **Bureau of Governmental Research of New Orleans** has begun a series in its *City Problems* on the financing of the New Orleans city government. The first issue, cannily prefaced with the warning that only 35 to 40 per cent of total city government costs are reflected in the general fund, is devoted to an analysis of trends in general fund expenditures from 1937 to 1942. Tabular material, charts, and a running analysis are too detailed for summary here—but they must provide intensely interesting reading for conscientious taxpayers and voters. A second issue on the subject analyzes general fund financing for the same period, from the standpoint of receipts, balance sheet, and cash position.

### Miniature

A sensible recognition that brevity sometimes is the winning play in the game of catching readers must have prompted the **Bureau of Public Administration of the University of Alabama** in issuing a condensed version of its earlier work, *High Spots in Alabama Finance*, by Joseph M. Ray. The present pamphlet, as attractively bound as the larger study, includes twenty-eight concise pages, including a spectacular chart at the middle of the book, to which the reader automatically opens.

## Research Bureau Reports Received

### Audit

**The State Auditor.** By James M. Martin, Robert L. Sawyer, and S. Marie Fraser. Lexington, Bureau of Business Research, College of Commerce, University of Kentucky, December 1942. 75 pp.

### Defense

**State Councils of Defense.** Berkeley, Bureau of Public Administration, University of California, December 1942. 38 pp.

### Finance

**High Spots in Alabama Finance.** By Joseph M. Ray. University, Bureau of Public Administration, University of Alabama, 1943. 28 pp.

**Trends in General Fund Expenditures; General Fund Financing.** New Orleans, Bureau of Governmental Research, *City Problems*, June 2 and July 9, 1943. 18 and 10 pp. respectively.

### Police

**Police Problems in Newark.** Newark, New Jersey, Bureau of Municipal Research, 1943. x, 156 pp.

### Salaries

**Municipal Salaries in Massachusetts 1942.** Boston, Massachusetts Federation of Taxpayers Associations, 1943. 30 pp.



# On the Local Front

Prepared by the Office of Community War Services, Federal Security Agency  
Charles P. Taft, Director

ZILPHA C. FRANKLIN, Editor

## The U. S. Cadet Nurse Corps

**T**O HELP fill the ranks of nurses—who constitute one of our acute shortage areas in home front war service—Congress this June established the U. S. Cadet Nurse Corps.

Uniformed, trained at no cost to themselves in accredited schools of nursing throughout the country, relieving pressure on reduced hospital staffs even as beginners, and proceeding at an accelerated pace to complete their basic training and enter full professional service, the girls enrolled under this new federally sponsored plan are taking their places in the front ranks of the nation's war workers. What is more, they are preparing themselves for a lifetime profession in a field where the urgent need for skilled, experienced service is almost unlimited—in our local communities, and in government service both in this country and abroad.

Sixty-five thousand new students are needed this year—some 20,000 more than the ordinary enrollment of recent years.

The new program is directed by the United States Public Health Service of the Federal Security Agency, the Public Health Service making grants-in-aid to participating schools of nursing to cover costs of training, maintenance, and stipends for cadets, for which federal funds make provision.

To help put the program into immediate effect on a nation-wide scale, the National Nursing Council for War Service and the American Hospital Association have requested that Surgeon General Thomas Parran undertake a

series of meetings during August and early September in key cities throughout the country—Washington, D. C., New York City, Boston, Harrisburg, Chicago, Atlanta, New Orleans, Dallas, Kansas City (Missouri), Salt Lake City, Los Angeles and San Francisco, Portland (Oregon), and Seattle.

Heads of nursing schools, hospital superintendents, and officers of nursing organizations are thus having a chance to get first-hand information and immediate answers to their operating questions, so that they can submit plans for Public Health Service approval with a minimum of red tape and delay.

But this is a matter of concern not only to nurse educators and administrators and prospective students. Every community in this country, as well as our armed forces and our government hospitals and public health services, have a stake in the program. Though only 2 per cent of the people is sick at any one time, the situation is so serious in many overcrowded boom towns that even the man in the street wonders what will happen if he or his family is ill and in need of nursing care.

About one-third of our doctors and one-seventh of our nurses are already in the armed services, and the need of the Army and Navy for 2,500 additional nurses each month will bring about one-fifth of our total nursing force into military service by the end of the year. But this demand for duty on the military front is not the only cause of the current shortage.

Hospitals need more nurses: Though

the number of hospital beds has not changed substantially, the rate at which these beds are used has been mounting. Although we have been fortunate in having no significant increase in illness, many changes of wartime living contribute to this fact—the rising birth rate, higher wages which make it possible for more people to pay for hospital service, increasing participation in hospitalization insurance plans, overcrowded housing and the transient living arrangements of many war workers, and the need to conserve the time of doctors by centralizing their patients in hospitals.

### Public Health Nursing

City and county health departments need more nurses: Even before the war many communities were awakening to the importance of health protection. Such activities, in which the public health nurse is a key worker, have been stimulated by federal aid under the Social Security Act, and more recently by a special federal appropriation for public health in war-affected areas. In many boom towns near military camps and in centers of war industry, especially intensive efforts have been necessary in order to prevent and control disease. The work done in these communities proves the effectiveness of such measures: yet more than one-fourth of the counties in the United States still do not have any public health nursing.

Industry needs more nurses: With the tremendous increase in the number of workers employed in war plants, and the number of inexperienced people who have been drawn into such employment, health problems on the job become an increasingly important factor in production. Industrial hygiene, long recognized as a sound part of good management, now becomes a "must." Illness and accidents still rate as major

causes of absences, and keeping them at a minimum demands skilled nursing and health service in the plant.

In spite of all these calls for additional nursing service, the profession of nursing has recently had to face stiff competition from the many kinds of jobs the war has opened to young women. Business and industry pay relatively high wages, even to girls with little or no training. The women's uniformed military services make an appeal to the patriotic and the adventurous. Nursing, which requires several years' training and which, even at a minimum, has in the past cost the student several hundred dollars, has had an uphill fight to recruit the students it so desperately needs.

The U. S. Cadet Nurse Corps was created under the Bolton Act—so called because it was sponsored by Representative Frances Payne Bolton of Ohio, long an active friend of the nursing profession. Approved June 15, the new law became effective as of July 1 this year. It places the U. S. Cadet Nurse Corps under the direction of the Surgeon General of the United States Public Health Service.

The Public Health Service has established a Division of Nurse Education to administer the program, reporting directly to the Surgeon General. Lucile Petry, on leave as Dean of the School of Nursing of Cornell University, has been appointed director.

Though this is a federal program, it does not set up federal nursing schools. What it does do is to offer funds to any school which is legally qualified in the state in which it is located and which meets certain generally accepted standards of nurse training.

Both students now in training and those just entering may enroll in the Cadet Corps. They must agree to continue in military or essential civilian nursing for the duration of the war.

Those in training for ninety days before termination of the war may complete their course under the program.

Cadets are entitled to wear the distinctive uniform and insignia of the Corps. They receive a stipend and pay no tuition or fees.

Each school participating in the program will continue to set its own curriculum and requirements for admission, and to select its own students.

Specifications on the length of the course divide it into three periods: the first nine months to be known as the pre-cadet, the next fifteen months as the junior cadet, and the remaining six to twelve months as the senior cadet period. Except for students admitted before January 1, 1942, these together must not exceed thirty months, and may be shortened to twenty-four months.

Most state laws require a graduate nurse to have had thirty-six months of supervised training, but by accelerating the academic portion of the course, the senior cadets can give full time to actual service under hospital supervision. This means that for the last year or half year before completing this legal requirement, they can perform many of the duties of graduate nurses.

The services of these senior cadets will be spread beyond the hospitals in which they receive their basic training. The plan allows for their transfer to other institutions where help is needed. Federal hospitals have first call. But it is estimated that such institutions will not take more than about 20 per cent, and the majority will continue to serve on the civilian front where the need is now so great.

Sufficient federal funds are to be made available so that the student nurse will be financially independent and the school will be compensated for the additional cost of the accelerated

program. The grants made to the school cover maintenance, tuition, and fees for pre-cadet nurses; tuition and fees for junior cadets, and fees for senior cadets; outdoor uniforms for all grades; stipends of \$15 a month for pre-cadets and \$20 a month for junior cadets. The required minimum stipend for senior cadets is \$30 a month; this is not met out of federal funds, but must be paid by the school or affiliated hospital.

### Refresher Courses

In addition to this basic training provided under the Cadet Corps plan, the Bolton Act offers similar federal aid to nursing schools for refresher and post-graduate courses. Refresher courses—for inactive nurses wishing to return to regular duty—must be between six weeks and three months in length. Hospitals with or without nursing schools may participate provided they meet certain standards.

Since the program is one of grants-in-aid, and participation is voluntary on the part of both students and schools, there is no way to predict its effect upon the nursing shortage. The goal—65,000 new students—represents more than 10 per cent of the girls graduating from high school each year. This is a large number, but there seems good reason to believe that the quota will be filled.

The agreement to continue in essential nursing for the duration of the war, required of all nurses enrolling in both graduate and undergraduate courses, will assure the continuance of service throughout the emergency. And even after the war is over, we can look forward with more assurance: nurses will be trained and ready to do their important part in the urgent tasks of health-relief, rehabilitation, and the re-establishment of peacetime living—in our own communities and throughout the world.



# News in Review

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## City, State, and Nation

*Edited by H. M. Olmsted*

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### Georgia Approves Voting at 18; Other Amendments

#### *Constitutional Changes Endorsed by Governor*

**BY** A vote of three to one on August 3 the Georgia electorate adopted a constitutional amendment granting the right to vote to persons who are eighteen or older. This was one of twenty-eight constitutional amendments supported by Governor Ellis Arnall, all of which were overwhelmingly approved. The Governor announced that he would attempt to have voting rights at eighteen included as a goal in the Democratic national platform. He stated that he was not seeking property rights for eighteen-year-olds, but that "the best training in citizenship is participation in the rights and obligations of citizenship."

Another amendment stressed by the Governor was one providing the basis for a system of retirement payments for teachers in the common schools. Two other important amendments provide for a State Board of Education and for a Board of Regents of the University System, both as constitutional bodies. The Governor cannot be a member of either board. Members serve for seven-year terms. Vacancies, pending appointment, are filled by secret ballot of the members still on the board. The Senate confirms appointments to the State Board of Education. These amendments were designed to take politics out of the Georgia schools. The State University System lost its accredited standing during the administration of Governor Tal-

madge, whom Governor Arnall defeated.

The power of the governor to grant pardons and paroles, which had caused much criticism and controversy, is removed by another amendment and placed in the hands of a State Board of Pardons and Paroles of three members with seven-year terms.

Other amendments permit counties and municipalities to assist in the administration of the teachers' retirement system, and pay pensions, costs, and benefits under that system; create a State Game and Fish Commission; provide for equal civil service preference to veterans of all wars; establish the Public Service Commission as a constitutional body; abolish the ten-day "organization session" of the legislature; fix the compensation of legislators at \$600 for two years with mileage allowance limited to a single payment; exempt certain taxes of corporations 90 per cent or more of whose stock is owned by Georgia corporations; provide how cases shall be disposed of by the Georgia Supreme Court and the Court of Appeals; permit divorce actions by soldiers who have been on army posts or reservations in Georgia over a year; provide that revenue anticipation obligations shall not be deemed debts against the issuing political subdivisions; and change the method of consolidation of local school districts.

The other twelve amendments are local in character, chiefly relating to finances of various counties and municipalities.

The twenty-eight amendments constitute the smallest number submitted in Georgia in several years.

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### *Legislative Developments in Illinois*

The Illinois General Assembly closed its sixty-third regular biennial session

with a record of 655 measures enacted out of a total of 1,502 bills introduced.

The session<sup>1</sup> was marked by a wartime psychology which tended to destroy many old cleavages and restrict action to "essential" measures. Interest attaches to a series of measures enacted with the backing of Governor Dwight H. Green:

Authorization to invest state funds in short term federal securities, \$80,-870,000 being currently invested.

Authorizing the reclassification and salary standardization for 20,000 positions in the state code departments: job titles will be cut from 1,150 to 550.

Consolidation of control of relief, old-age assistance, aid to dependent children and the blind under the Illinois Public Aid Commission. An effort to place this function in the Department of Public Welfare, against the wishes of the Governor, was defeated by a narrow margin.

Creation of a new Department of Revenue to take over the functions of the Department of Finance, leaving the latter department free to concentrate on budgeting and examining. The State Tax Commission was abolished and its duties were assigned to the new department.

A War Labor Standards Board was created to relax the six-day-week law and the eight-hour-day law for women.

A state employees pension system was created.

Other measures of general interest include: extension of state civil service preference to World War II veterans; emergency war tenure for civil service appointees to end when competitive examination lists resumed; creation of a commission to study and report in 1945 on the state's needs for higher educa-

tional facilities; an amendment to the constitution was placed on the ballot to remove the restriction against county treasurers and sheriffs succeeding themselves.

Constitutional proposals defeated were another "gateway" amendment and a proposal to permit straight party votes to be counted as votes for constitutional proposals which have been approved by party conventions. At present a majority of all votes cast in the election are required.

Another act requires instruction in public or semi-public schools, as a prerequisite for graduation from the eighth grade, in voting methods under the Australian ballot system and in United States history with emphasis on "a comprehensive idea of our democratic form of government and the principles for which our government stands as regards other nations."

The Assembly created a total of eighteen joint legislative interim commissions, including a postwar planning agency and a budgetary commission to work with the state departments in preparing the next state budget. The Assembly refused, as had its predecessors since 1911, to enact congressional or legislative reapportionments.

EDWARD M. MARTIN  
Union League Club, Chicago

### ***Michigan's New Department of Business Administration***

The Michigan legislature at its regular session of 1943 enacted what has come to be known as the Department of Business Administration Law. This measure enjoyed the joint sponsorship of Representatives Post, Hermann, and Story, and received the strongest support from Governor Kelly.

This act creates a Department of Business Administration within the executive branch of the Michigan state government, to be headed by a director appointed by the Governor. The

<sup>1</sup>The Illinois legislature was still in session when Mr. Herbert Wiltsee's summary of state legislation, "State Legislative Highlights—1943" (July, p. 360) was prepared.

director is to receive a salary not to exceed \$7,500 a year. He may, subject to the approval of the Governor, employ such assistants and incur such expenses as shall be necessary to carry out the provisions of the act; such expenditures are to be charged to the appropriations made for the executive department.

The new department is charged by its basic statute with the duty of making investigations and recommendations concerning the economic coordination of state activities. Upon the direction of the Governor it is authorized to make investigations of any or all executive or administrative departments, boards, institutions, commissions, or agencies in the state government. These investigations or surveys are to determine whether the activities of any of these governmental agencies or administrative bodies are essential to good government, or if they are being carried on, managerially speaking, in an economical and efficient manner. Duplications of service and effort are to be ferreted out by this new department.

Other purposes, according to the new law, for which investigations may be instituted include increase of efficiency and economical operation by consolidation and re-arrangement of any such state departments, boards, institutions, commissions, and agencies.

In carrying out investigations the Department of Business Administration has power, again subject to the approval of the Governor, to conduct hearings and to compel the attendance of witnesses, the giving of testimony under oath, and the production of books, papers and records.

This new agency represents one more attempt to solve the twin problems which bedevil the administrative organization of the state of Michigan—lack of integration among the admin-

istrative services themselves, and the poor adjustment of relationships between the legislative and executive branches.

CHARLES W. SHULL

Wayne University

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### ***Florida Would Permit Governmental Variety***

The legislature of Florida has approved House Resolution 55, which proposes to amend Section 24 of Article III of the state constitution so as to eliminate and repeal the present requirement for a uniform system of municipal government. This amendment has been supported by the Florida League of Municipalities.

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### ***Legislative Reference Bureau for Hawaiian Islands***

The Hawaiian territorial legislature at its last session created a legislative reference bureau as a department of the University of Hawaii, the president and board of regents of which appoint the bureau's director. The bureau is given bill-drafting functions; the attorney general appoints a deputy to work with the bureau in drafting bills and rendering legal services. The act took effect July 1.

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### ***New York Interstate Committee Urges Regional Conferences***

The New York Joint Legislative Committee on Interstate Coöperation held a three-day conference in New York City, July 8-10, as a result of which the calling of two regional conferences, on postwar relief problems and on wartime liquor control, was recommended.

To facilitate the handling of postwar relief, complicated by the mass migration of workers in war industry, the subcommittee on social welfare and relief urged that a regional conference be held, in coöperation with the Council of State Governments, to study the



easing of settlement and residence requirements generally, the supervision of old-age, blind, and dependent children cases, residence requirements for old-age and blind cases, and veterans' assistance. Opposition from areas of large increases in population was anticipated, but it was stated that statistics indicate that not more than 15 per cent of migrants ever seek relief.

### ***Standing Committees of State Legislatures***

A survey of state legislative practices by the Council of State Governments indicates increasing reliance on standing committees to maintain continuing contact with various fields of legislative interest. These committees deal with a wide diversity of subjects, including agriculture, labor, public health, education, finance, amendments to state constitutions, workmen's compensation, public works, insurance, transportation, elections, and interstate cooperation.

The most recent additions to the expanding list of standing committees are those concerned with civilian and national defense and aviation, the majority of which have been set up during the last three years. Wisconsin this year added a Senate Standing Committee on Military Affairs, created by the legislature to exist until six months after the war. Similar committees already exist in nearly all forty-eight states.

A total of 3,365 standing committees now handle regular work of the forty-eight legislatures in the country. Of these 1,445 are senate committees, 1,785 are house committees, and 135 are joint committees. The totals vary from 118 in Kentucky and 116 in Georgia and Oklahoma down to sixteen at the present time in Nebraska's unicameral legislature, according to the study.

Standing joint committees are found in only ten states and handle the bulk

of committee work in only three of them—Connecticut, Maine, and Massachusetts.

### ***Eighteen States Permit Local Reserve Funds***

In addition to the sixteen states mentioned in the REVIEW for June (p. 392) as having legislation permitting municipalities to establish capital reserve funds for future public works, Maine and New Hampshire have enacted such legislation. Maine permits reserve funds for stabilization of tax rates as well as for specific capital purposes. The New Hampshire legislation permits accumulation of funds only until July 1945.

### ***Local Retirement Systems for Four States***

The legislature of Colorado has authorized extension of the state employees' retirement system to all municipal, county, and school district employees. Coverage is given automatically, but cities are authorized to exempt themselves by action of their councils.

A statewide municipal employees' retirement system has been established by the Pennsylvania legislature, effective this September. Cities are not required to join, but once they do so they cannot withdraw. The employees of a city that has not joined may, by petition, require a city council to put the question of joining the fund to popular vote in the city, and if the vote is favorable the city must join. An existing local retirement fund may join by affirmative vote of 75 per cent of the members.

The Texas legislature has given initial approval to a proposed constitutional amendment to authorize municipalities to establish retirement and disability pension systems for their employees and also permitting the legis-

lature to establish a statewide pension system for municipal employees.

In Wisconsin a new statute provides for an optional statewide retirement system for the employees of any city or village except Milwaukee. If approved by a municipality the plan becomes applicable thereto on January 1 of the following year. The board of trustees consists of the state commissioner of insurance, ex officio, and four members, appointed by the governor, who are officers or employees of municipalities covered by the fund.

### **Council-Manager Plan News**

**Sweet Home, Oregon**, adopted a council-manager charter on June 22. According to Howard H. Ennor, Acting Director, Bureau of Municipal Research, University of Oregon, Sweet Home has recently grown to a municipality of some 3,000 people from 1,090 in 1940, because of wartime expansion of the lumber industry, and the need for a full-time trained administrator has been realized.

In **Carey, Ohio**, the proposal for city manager government lost at a special election on June 22 by a vote of 416 to 184. Proponents of the plan presented arguments in its favor in the local newspaper over a period of six weeks, and by means of a handbill shortly before the election.

The City Charter Commission of **Ishpeming, Michigan**, has completed the tentative draft of a council-manager charter, which includes provision for a council of nine members, who would also serve as members of the county board of supervisors. The present council consists of twenty aldermen. Some members of the commission preferred a council of five, but nine was the compromise number adopted.

A petition amending the city charter to provide the council-manager plan with proportional representation has

been filed in **Long Beach, New York** (see page 467).

**Hackensack, New Jersey**, (city manager) is one of the thirteen cities winning awards in the 1942 National Health Contest, and Arlington County, Virginia, (county manager) is one of the twenty winning counties.

**Beatrice, Nebraska**, is planning to hold a special election on replacement of the commission plan by the manager plan.

The Junior Chamber of Commerce of **Everett, Washington**, is sponsoring a movement for the adoption of the manager plan in that city. It is working out a committee organization based on the Cincinnati plan. To amend the present charter requires a petition signed by 20 per cent of the voters at the last election, and a majority vote at the polls.

In **Miamisburg, Ohio**, a special election on July 27 as to adoption of the manager plan resulted unfavorably, the vote being 474 in support of the plan and 590 against. The plan has been voted on in that city three times previously, losing by margins of 272 in 1931, 11 in 1933, and 298 in 1935. Four of the city's eight wards were for the plan and four against, but the heavier majorities were in the four losing wards.

Mayor Ab Jenkins of **Salt Lake City, Utah**, has vigorously criticised the existing commission government of that city, and states that a strong mayor or a city manager is needed. He is quoted as saying: "The mayor or any commissioner lacks sufficient authority to accomplish many actions. . . . Under the present set-up the city actually has five head executives."

In the first half of 1943 four municipalities adopted manager charters says a summary by the International City Managers' Association: Las Vegas, Nevada, effective July 1; Norway, Maine, effective May 10; Thomasville, Georgia,

effective January 1, 1944; and Sweet Home, Oregon, effective July 1. Lehigh-ton, Pennsylvania, adopted the manager plan by ordinance, May 3; and two cities, Marysville, Michigan, and Sylacauga, Alabama, where the plan became effective prior to 1943 have been added to the Association's official list, bringing it to a total of 578 cities and seven counties as of July 1. Five communities this year have defeated proposals to adopt manager government: Sheffield, Alabama; Corpus Christi, Texas; New Bern, North Carolina; Tillamook, Oregon; and Carey, Ohio.

### ***Postwar Planning Progress in Large Cities***

Several cities of over 200,000 population report notable accomplishments in the field of postwar planning.

In Detroit the City Plan Commission has prepared "A Six-Year and Reserve Capital Improvement Program" which includes projects contemplated by the Wayne County Board, Port of Detroit Commission, Huron-Clinton Metropolitan Authority, and the State Highway Department. The program takes account of probable availability of funds from current tax levies, to maintain the city's policy of financing capital improvements from current revenues. Many necessary improvements are in a "reserve group" because of limited capacity to finance them.

In Minneapolis the City Planning Commission in its "Program for Postwar Progress" recommends a regional approach to local problems and the creation of a state research agency to study opportunities for bettering conditions of present industries and establishing new industries based on resources of the region.

In Portland, Oregon, the city has established the Portland Area Postwar Development Committee. An executive committee and four subcommittees on

economic, area planning, public relations, and work programming matters have been set up. The technical leadership for the economic committee is supplied by the Chamber of Commerce in coöperation with industrial, commercial, and labor organizations. Area planning will be largely under the City Plan Commission, with the aid of various city, state, and national agencies. Works programming will have the aid of city departments, the Chamber of Commerce, banks, organized industry and labor. The program will cover both public and private projects.

Following the appointment of a postwar planning committee in Indianapolis, Indiana, Mayor Robert H. Tyndall stated that "the biggest job of this administration, that of preparing the city to meet problems of the postwar era, is under way." Specific plans will be prepared for a new sewer system, new airport facilities, track elevation, and enlarged recreational accommodations, among other major undertakings.

The city of Memphis and Shelby County, Tennessee, have a \$75,000,000 program, described on page 460.

A capital work program planning committee has evolved in Rochester, New York, from the former "administration committee," which acted as a project committee for work relief. The revamped committee works closely with the City Council and the City Planning Commission. The city manager sits with the other officials on the committee, which holds its meetings in his office.

Postwar planning activities of various other large cities and many smaller ones were mentioned in the NATIONAL MUNICIPAL REVIEW for June (p. 392) in connection with a survey of ninety-two council-manager municipalities made by the International City Managers' Association.



### ***AMA Stresses Municipal Postwar Planning***

The American Municipal Association is actively engaged in a program of aiding cities to formulate and execute postwar plans, in collaboration with the state leagues of municipalities. A special committee is preparing a detailed statement on planning to serve as a general guide to municipal officials. The Association is also coöperating with the American Society of Planning Officials and the state leagues in the organization of six-day conferences on municipal postwar planning in the various states. Furthermore, a handbook, *Progressive Steps in Community Planning*, prepared by the staff of the urban section of the National Resources Planning Board, is being published under the sponsorship of the AMA, the ASPO, the International City Managers' Association, and Public Administration Service; it is expressly designed to aid city officials to organize their own planning programs.

### ***Federal Financing of Election Campaigns Proposed***

Senator Carl A. Hatch of New Mexico, author of the Hatch Act restricting campaign funds and proscribing pernicious political activities by governmental officials and employees, is reported to be drafting proposed legislation for governmental financing of political campaigns for federal offices. According to an Associated Press dispatch of July 17, he is not satisfied with the present limitation on contributions and concurs in the view expressed by the Senate committee, headed by Senator McFarland of Arizona, which investigated the 1942 campaigns, that "despite state and federal laws the limitations placed on expenditures for campaign purposes have been largely ineffective." Senator Hatch indicated that the outlawing of all private dona-

tions may become necessary. He is quoted as saying:

"The people pay the costs of these campaigns in one way or another, anyhow, and the financing might as well be done directly out of the Treasury, where regulations can be enforced and the amount of expenditures limited."

An obstacle to having the Treasury pay the cost of campaigns for federal offices, according to the Senator, is the difficulty of separating those outlays from the costs relating to candidates for state offices, especially in states where the expenditures are made by one organization working for an entire ticket. He also recognized a problem of setting proper limits for different offices and districts, whether based on population or other considerations.

### ***San Mateo Adopts Merit System***

The citizens of San Mateo, California, have voted three to one for a charter amendment to establish a merit system for all city employees. The adoption of the city merit system follows the establishment of such a system for San Mateo County last year.

### ***City Officials Organize in Atlanta***

Thirty-one department heads of the government of Atlanta, Georgia, have organized an association to stimulate interdepartmental coöperation, learn more about the city's needs, and acquaint the public with the city's problems.

### ***AMA Conference***

The American Municipal Association will hold its twentieth annual conference October 27, 28, and 29 at the Blackstone Hotel in Chicago. A pre-conference session for officials of state leagues of municipalities will meet on October 26 at the Association's office, 1313 East 60th Street, Chicago.

### Citizen Action

*Edited by Elwood N. Thompson*

## Business, Government Cooperate in Plans for Corpus Christi *Community Concentrates on Test Project*

**S**PEAKING at the National Planning Conference in Indianapolis May 1942, Charles S. Ascher described a long-range planning technique that the National Resources Planning Board was demonstrating in selected cities. This process undertook to help a city draw within a short time an outline plan for its over-all development.

So, we asked for it! Corpus Christi asked to be used as a guinea pig.

In July 1942, the City Planning Commission, the *Caller-Times*, the Chamber of Commerce, and the Mayor and City Council requested that the National Resources Planning Board designate Corpus Christi as one of the cities to be studied by the Board with a view to making recommendations which, if adopted and followed, would clarify and expedite the solution of problems anticipated by a growing city in the postwar period.

A technique devised under the direction of Robert B. Mitchell, Chief of the Urban Section of NRPB, was applied to the project. S. B. Zisman, planning technician, was assigned to Corpus Christi as the resident representative of the Board.

Because our people as well as the NRPB advisers believed that planning can be most soundly conceived by active participation of the many individuals and groups in the community, the project was inaugurated on that premise. The knowledge, good judgment, and experience of local people

was used throughout the demonstration. Technicians and consultants were utilized to guide the planning process.

Local individuals and groups were encouraged to take the leadership in those phases with which they were directly concerned. Some of these local committees have met at least once a week for the past six months. Several have made their initial reports. Other groups are continuing their studies. All reports and studies were referred to the Planning Commission as the coordinating agency.

The Chamber of Commerce has provided the leadership in working out a plan for economic and industrial development. The work has been carried on by the Industrial Committee of the Chamber which, without changing its name, has been performing the functions of a postwar planning committee. It has been meeting regularly each week for more than six months, analyzing the area's resources, studying the needs of the region, and working out plans for demobilization and the postwar period. With the aid of an industrial technician of the National Resources Planning Board, over-all employment and production goals have been set up through 1950.

In order to deal with an important part of the work a subcommittee of the Industrial Committee was set up on employment planning and training. Representatives of the employment service, education, war training program, and community racial groups made up this committee. It also has been meeting regularly each week and has submitted its preliminary report on employment prospects. A second report recommending an industrial training program for the demobilization period and future industrial development is now in preparation and will soon be submitted to the Industrial Committee.

At the same time the Chamber is

asking business and industrial leaders to study future production goals, distribution marketing problems, etc. Reports from key men in each field of enterprise are being developed to be included in the plans. The first general report is nearly completed. Steps are being taken to organize further study. Briefs will be prepared for each industry and it is hoped to have each firm or business develop its own plans for the postwar period.

### School Plans

The public school system was drawn into the project in its first stages. In our original conference with the superintendent of schools an immediate problem of redistricting the elementary schools was found. A technique was devised whereby the school children themselves marked on a map the location of their homes. A pilot study was conducted in one of the schools to test the procedure and correct mistakes. After this study was made the technique was applied to the remainder of the elementary schools and the junior and senior high schools as well. Within a short time the total school population was counted and located. When a master map of school distribution was made and presented to the School Board it immediately saw the necessity of planning a long-range school program. The President of the Board appointed a planning committee to make studies and present definite recommendations. This report has not yet been completed and technical aid will be necessary.

The Library Board has submitted its first report outlining its objectives and recommending policies and program for future development. This was done in broad terms and specific recommendations will come later.

The Corpus Christi Housing Authority undertook the study of both private and public housing. The executive di-

rector of the Housing Authority, who is also a member of the Planning Commission, furnished the leadership for this work. A comprehensive report is now being prepared which will present some definite recommendations.

The Council of Community Agencies, heading the section covering health and welfare, has completed its report on health. This indicates the policy for future development and has definite recommendations for the physical plant. The welfare report is expected shortly.

The Transportation Committee of the Chamber of Commerce, the city engineer, and the navigation engineer have met regularly and have outlined the transit goals toward which we should work. The NRPB furnished a consultant for several days to review the work done and to offer his views on future trends in transportation. The CAA was asked to check the airport plan to see if the proposals were sound. The highway system was studied by this same group which enlisted the services of the state highway engineer. These studies are being continued and should result in a program of coordinated effort.

A study of a bayfront development plan was inaugurated by the Architectural School of Texas Agricultural and Mechanical College. This work was not completed but some other group will finish the studies in order that the bayfront area can be developed as a unit. This presents a problem in which both private and public lands are involved.

The Real Estate Board has undertaken a study of sites for industrial locations, a method of land assembly, and a study of the tax structure.

A list of public works has been made and from this list a public works program will evolve. The city engineer and the city controller are preparing a six-year capital budget.



It should be clear that the program in Corpus Christi is a demonstration of coöperative planning by private enterprise and government so that progress of both private enterprise and necessary and desirable public works can be successfully coördinated.

A. C. WALKER

Corpus Christi Planning Engineer

### ***Phoenix Citizens Clean Up City, Win Army Praise***

Phoenix, like the fabled bird from which the capital of Arizona took its name, has risen from the ashes—a revitalized city with a great majority of its citizens determined that it will be one of the best governed cities in the country.

It has had good government, bad government, and the indifferent kind. Too little of the first and too much of the latter. Any good government that lasted more than a year—since the inception of the council-manager plan back in 1914—established some sort of a record—for Phoenix.

Phoenicians were fed up with "one-year" government. The thing that hurt their pride was the sudden realization that they themselves were wholly responsible. Government, they decided, was good, bad, or indifferent according to the wishes of the citizens. Most wished for a good government but did little about it—until the U. S. Army Air Force training fields began to make their appearance. The Army decided that Phoenix had ideal all-year flying weather. The Army also decided that Phoenix vice conditions could not be tolerated.

This came as a terrible shock to Phoenix citizens, as proud of their climate and tourist attractions as all of Florida and California, but never before greatly disturbed about organized vice. The primrose path to the openly organized "district" was brightly il-

luminated by neon signs advertising "rooms." The "madams" and the "girls" regularly paid their fines to the city coffers each month.

That was pre-Pearl Harbor. From the airfields that sprang up all over the valley like the proverbial mushrooms came swarms of planes that filled the skies, and swarms of cadets and ground personnel that filled the city streets. Phoenix overnight had become a typical army camp town.

Typically enough, the Army was quite obstinate from the start about the district. It had to close and no ifs, ands, or buts. The word was passed and the madams obediently turned out the neon signs. But the venereal disease rate at Luke Field, largest single-engined advanced flying school in the world, continued to climb. Again the Army gave an edict and again was assured organized vice had been driven out. The field medical men presented proof that such was not the case.

So the Army declared a large section of the city surrounding the district out of bounds. The prostitutes relocated and reopened. The Federal Security Agency made a secret investigation and a public report that shocked the whole state. Then the entire city was declared out of bounds to all military establishments. The thousands of cadets and soldiers disappeared from the streets although the skies still were filled with roaring planes.

Phoenix ministers — Protestants, Catholics, Mormons and Hebrews—were aroused. So were Phoenix businessmen. Chamber of Commerce directors held a meeting which city commissioners attended. The Chamber directors laid their cards on the table. They made it plain they intended to get action—pronto, as they say in the Southwest. They demanded the replacement of the city manager, the chief of police, and the city clerk-

magistrate, the three officials responsible for law enforcement. After a nearly all-night session, the City Commission agreed and at an extraordinary special meeting at noon the following day they fired the three officials and appointed three citizens mutually agreed upon the night before. In a few days vice squads had made such a thorough clean-up the city was reopened to Army personnel.

The reform lasted little less than a month. The majority bloc on the Commission broke its pledges, kicked out the three new appointees, recalled the city manager and city clerk previously fired, and appointed an acting police chief.

### Volunteers Clean Up

Citizens were aroused and immediately formed the Citizens Good Government Council. There followed the most amazing campaign in the city's history. Through the churches and civic groups thousands of volunteer women campaign workers were enlisted. They persuaded thousands of other citizens to register. They circulated nominating petitions for two candidates for the commission, Bert Fleming, a minority commissioner, for re-election, and his running mate, Fred Wilson. The hold-over minority commissioner, Floyd A. Ford, was pledged to join with them on their election to form a majority bloc. They were elected by an overwhelming majority and a month later when they took office they conducted a thorough house-cleaning.

Lots of cities have done that, Phoenix has done it before, but this time it is different. Phoenix is behind the Citizens Good Government Council and the Council is behind the good government. Council members attend all City Commission meetings. They stick their noses into every phase of the city government and they support every progressive move of the majority bloc in

control. They backed the Commission in a plan to coördinate all agencies dealing with juvenile delinquency—delinquency had increased 63 per cent in 1942 over 1941. Coördination is being effected and the Commission has named Russell B. Jackson, former chief probation officer of the juvenile court as coördinator. Not only is the city as a whole pleased, but so is the Army.

As late as July 29, 1943, city officials held a joint meeting with military officers from the various fields. The military gave sincere praise for what has been accomplished and said that Phoenix now is one of the cleanest cities in the country—and most hospitable to the thousands of officers and enlisted men.

That means a lot to Phoenix. Army population far outnumbers civilian population. There are six big flying fields, several smaller military establishments and the huge desert training center west of the city where thousands upon thousands of crack troops are getting the toughest kind of training. Phoenix is the only place for them to go for recreation.

Phoenix is going to guard the reputation it is earning. It has learned the only way to beat a political machine is with a more powerful organization. It has that in the Citizens Good Government Council, which maintains a permanent office with W. J. B. Schimfessel, assistant manager of the Chamber of Commerce, as its executive secretary.

Far from resting on its laurels the Good Government Council is continuously attacking new problems as part of its sustained drive to make Phoenix the best governed city in the country.

With approval of the City Commission the Council is sponsoring a Community and Youth Activities Board of nine members representing labor, the Parks Department, schools,

colored population, Mexican population, the Soldiers Center, and three members at large. The city has already approved a modest budget which will be supplemented by federal funds. An experienced commissioner and coördinator of youth activities has been engaged to run the program to combat an alarming increase in juvenile delinquency, disclosed by the Council's committee of eighteen appointed to study the problem.

In addition the Council has appointed working committees, already at their jobs in these fields: budget, transportation, aviation problems, governmental surveys, streets and paving, health and sanitation, civil service, fire prevention and water supply, parks and playgrounds.

LAWRENCE ANDREWS

*Phoenix Republic and Gazette*

### **British Mayor Shows Children How City Runs**

The British too are having their troubles in practicing what they preach and fight for—democracy.

Here is the story of a small town mayor in Great Britain who is doing what he can about it, starting, as often advocated in the REVIEW, with the youngsters. The story is from *Local Government Service*, the official journal of NALGO (National Association of Local Government Officers). EDITOR.

A visitor from Mars would surely think the English the queerest race on earth. He would see us fighting and dying for democracy; praises of self-government would assail him from every newspaper and radio. Yet, as he moved among the people, he would find few indeed who knew anything of the machinery of their vaunted democracy, and still fewer who exercised the right it gives them to govern themselves.

The lack of interest in popular government—reflected in a vote of only

35 per cent of the electorate at the last municipal election—has been worrying Mr. J. H. Round, mayor of Camberwell. Mr. Round is a tall, kindly man, the father of four children, who speaks in a quiet voice. "I feel," he told me the other day, "that the greatest hope for local government is to interest the coming generation."

Many of us feel the same. But for Mr. Round, recognition of a need means action to meet it. So, for the past year he has been receiving parties of Camberwell schoolchildren, twenty at a time, at the Town Hall, and telling them how their lives are affected by what goes on there.

The children are from twelve to seventeen years old. They are the sons and daughters of dockers, engineers' fitters, transport workers, and factory hands. They come from elementary, central, and secondary schools, and from clubs attached to churches and university settlements. Boys and girls come in equal numbers. . . .

The Mayor, whose talks are impromptu, first described the differences between local and central government. He spoke about London and the L.C.C. [London County Council]. He told the children how councillors are elected, and took them on an imaginary walk street by street through the borough, describing the work of the local authority. He explained committees, and how rates are raised and spent.

"If a man in Camberwell shares a house with a rateable value of £20," he said, "this is what we charge him each week for our services. For the collection of household refuse—1½d. You would want 2d. for carrying a dustbin just a little way, wouldn't you? Well, for 1½d. we take away your rubbish, ship it down the canal, and dump it on a marsh down the river.

"Cleaning of streets would cost this man one-third of a penny a week,

(Continued on Page 472)



## County and Township

*Edited by Elwyn A. Mauck*

### Wisconsin Moves to Permit

### County Reorganization *Proposed Amendment Looks to Sweeping Changes*

THE 1943 session of the Wisconsin legislature approved the so-called Daus resolution changing the state's constitution to relieve Wisconsin counties of the present uniform county government restriction. The proposed amendment must be passed by the next legislature, meeting in 1945, before its submission to the voters for final adoption.

The amendment (1) provides for removal of the provision that all Wisconsin counties must have the same form of government regardless of their many differences in population, geography, resources, etc.; (2) gives the legislature power to prescribe optional forms of government from which counties would be permitted to choose by popular vote the type best suited to their needs; and (3) permits appointment—or abolition—of certain county officers, such as sheriff, coroner, and register of deeds, now elected by popular vote.

The Daus resolution, which was strongly supported by the Wisconsin League of Women Voters and other civic groups, was adopted once before by the legislature but was permitted to die in the subsequent session.

### New York City Sheriff Issues Report

The Office of Sheriff of the City of New York has issued its first annual report, a forty-page booklet describing the reorganization, operations,

and economies effected during 1942. As previously reported in this REVIEW,<sup>1</sup> the city sheriff, appointed under provisions of the merit system, now replaces the former county sheriffs elected in each of New York City's five counties.

The first duty of the new sheriff, John J. McCloskey, Jr., chosen from 335 applicants, was that of appointing his staff. Only one employee, a telephone operator, had civil service status and hence was available from the staffs of the five county sheriff offices. The sheriff recruited from New York City's Department of Investigation, from the eligible list for sheriff, from the Police Department list, from special lists set up for the sheriff's office, and from appropriate lists for clerical personnel.

Thirty-five per cent of the deputy sheriffs are lawyers. Being a young organization with young employees, and maintaining a policy of requesting no draft deferments, the office is faced with the problem of losing men to the armed forces. Twelve already have entered military service.

Reorganization included establishment of chief deputy sheriffs in each of the five counties, a staff of administrative assistants to the sheriff, and offices of counsel, chief accountant, and chief clerk. The chief deputy sheriff of New York County is designated "under sheriff."

Operating expenses have been reduced 50 per cent resulting in a saving of approximately \$300,000 per year. This economy was effected by reducing the number of persons on the payroll from 220 to 155. Two of the civil jails were closed, and more were scheduled for closing, but transportation problems arising from the war temporarily interrupted this development. A new central civil jail is planned after the war.

<sup>1</sup>NATIONAL MUNICIPAL REVIEW, January 1942, p. 47.

To improve administration of the Office, nine bills were drafted and submitted to the 1943 session of the state legislature. All were adopted by the legislature, and seven have been signed by the Governor.

The Office maintains a system of periodic reports of activity, and last year the administrative staff delivered a series of lectures on the duties of deputy sheriffs. Minutes of the lectures have become the deputies' textbook. Further lectures are planned. Informal conferences for purposes of training and coordination are held at frequent intervals.

The report concludes with the observation that, although substantial progress has been achieved in the struggle for better government, much remains to be accomplished.

### ***Shelby County, Tenn., Plans Postwar Program with Memphis***

Shelby County, Tennessee, and the city of Memphis are developing joint plans for a \$75,000,000 present and postwar public improvement program. The program includes sixteen slum-clearance projects, new schools, libraries, medical clinics, street improvements including six-lane highways at the city's gateways, flood control, and dock and wharf improvements. Some portions of the work will begin shortly, but a greater part must necessarily be postponed until wartime priorities on materials are lifted.

### ***Ohio Enacts County Welfare Law***

The Ohio state legislature, after a bitter struggle, has enacted a law<sup>1</sup> permitting counties to consolidate their welfare activities by establishing county welfare departments. It becomes effective September 9, 1943, although

no welfare department may be organized before January 1, 1944.

Under the law a welfare department can be established in a county only by unanimous action of the commissioners. All employees other than the director must be under the classified civil service. Appointments are to be made by the director and superintendents of any institutions, but they can appoint only residents of the county. There may be an unpaid advisory board appointed by the county commissioners.

### ***Atlanta Journal Stresses Need for City-County Consolidation***

According to an article published recently in the *Atlanta Journal*, the need for city-county consolidation remains uppermost in the minds of civic leaders in Atlanta. In response to a questionnaire sent out by the Chamber of Commerce regarding postwar plans, several replies emphasized the necessity of some kind of merger or consolidation of city and county governments. One person wrote: "There is absolutely no need for two school systems, two police departments, two health departments, and two court systems in Atlanta. I believe the great majority of our taxpayers would welcome such a change, although most of the city and county jobholders would object."

### ***City-County Park Merger Considered in Toledo***

The *Toledo City Journal*, official publication of the city of Toledo, Ohio, has proposed that first steps in city-county consolidation be undertaken by merger of the two park systems. Joint tuberculosis control, venereal disease control, poor relief, or perhaps even general city-county consolidation could follow as a natural development at a later time.

The Metropolitan Park Board, gov-  
(Continued on Page 471)

<sup>1</sup>Amended Substitute House Bill No. 140.

## Taxation and Finance

*Edited by Wade S. Smith*

### War Fails to Depress Property Tax Collections Downward Delinquency Trend Continued in 1942

**C**ONTRARY to expectations in some quarters, war influences during 1942 failed to operate to depress current collections of ad valorem property taxes. There was a slight decline in the combined collection of current and back taxes, but total collections none the less remained in excess of the year's levy in the average city.

These are among the conclusions shown in the eleventh annual study of property tax delinquency and collection of Dr. Frederick L. Bird.<sup>1</sup>

The median year-end delinquency on current tax levies dropped from 6.8 per cent for 1941 to 6.0 per cent for 1942 for 150 cities of over 50,000 population. In 1930 the ratio had been 10.2 per cent, raised to 26.4 per cent in 1933, but down to 9.3 per cent by 1939. Of the 150 cities, 128 had lower ratios in 1942 than in 1941, two were unchanged, and but twenty had higher ratios. Four cities—San Jose, Fresno, and San Francisco, California, and Mobile, Alabama—had 1942 delinquency ratios of 1 per cent or less.

For a group of 100 cities, combined current and delinquent tax collections showed a slight decline. The median was 100.5 per cent of the year's levy, as compared with 101.7 per cent for 1941. The range was from a low of 87.0 per cent to a high of 122.2 per cent,

whereas in 1941 the extremes were respectively 83.4 per cent and 116.9 per cent. Only ten of the group, however, had 1942 total collections in excess of 105 per cent, as compared with 14 in 1941.

Noting that slow Congressional action on the 1942 tax bill, and such factors as increased income and purchasing power, reduction in real estate vacancies, etc., played a part in continuing in 1942 the downward delinquency trend evident since 1934, Dr. Bird says:

The prospect that property tax collections will continue satisfactory . . . does not mean that cities have no major fiscal problems in 1943. Budgets that originally appeared to be in balance will be difficult to keep under control for various reasons, among them the higher cost of supplies, pressure for higher wages and cost of living bonuses, a falling off in some types of miscellaneous revenue, and uncertain trends in various locally-shared state taxes. Probably the biggest hazard to financial stability is the demand for local tax reduction, regardless of how achieved, at a time when budgets should be making full allowance for uncertainties in tax yields and for deferred maintenance. Under prevailing circumstances, the trend of tax delinquency is less revealing of municipal financial prospects than the study of fiscal policies and plans.

### Committee Recommends New York City Fiscal Reforms

A so-called Committee of Fifteen<sup>1</sup> has drawn a set of recommendations for the rehabilitation of New York

<sup>1</sup>*The Trend of Tax Delinquency: 1930-42. Cities of over 50,000 Population.* By Frederick L. Bird. Municipal Service Department, Dun & Bradstreet, Inc., New York City.

<sup>1</sup>Paul Windels, chairman, George L. Allin, Henry Bruere, Louis I. Dublin, Maskell E. Fox, Frederick E. Hasler, Arthur A. Johnson, John Lowry, Very Rev. Msgr. Edward Roberts Moore, William A. Pendergast, J. Barstow Smull, David L. Tilly, Delos Walker, Leo Wolman, and John A. Zellers. Jones W. Mersereau is secretary.



City's economy which has been widely hailed as striking close to the root of many of the city's fiscal difficulties.

Pointing out that the city is faced, on the one hand, with statutory and constitutional restrictions on the amount and kinds of revenues it can raise, and, on the other, with legislative mandates for certain expenditures, often at stipulated amounts, the Committee frankly admits that inflation of the city's taxable valuation is under the circumstances unavoidable and asks that the state assume its obligation either to act itself or to give the city authority to do so.

The recommendations of the Committee are summarized below:

1. A self-sustaining transit fare. Estimated to reduce debt service budget by \$37,000,000 annually, and to permit improvement in subway service. Legislative authority needed.

2. Assumption by state of cost of certain state functions now financed by city, including higher courts, county offices, and Board of Elections, now amounting to about \$14,000,000 annually. (Similar to recommendation of Mayor F. H. LaGuardia in his 1943 budget message.)

3. Release so far as practicable from other mandatory state legislation, as non-teaching and non-administrative personnel in school system. (Again, similar to Mayor LaGuardia's budget recommendation.)

4. "A fairer allocation of New York City's share of state taxes by methods heretofore proposed, which will assure to it a larger income and at the same time protect it against substantial fluctuations due to business conditions."

5. Elimination of some municipal services until "our expenditures are brought within our income based on just and proper tax assessments."

6. No new capital outlays unless and

until accompanied by public statement of estimated annual operating cost, debt service, and means of financing.

7. "A capital debt geared to the actual value of real estate rather than to the present fictitious assessed valuations."

### ***Tennessee Poll Tax Repeal Held Invalid***

The Tennessee Supreme Court, in a three-to-two decision handed down on July 3, declared unconstitutional the recently enacted poll tax repeal law.<sup>1</sup> This law had been passed by the Tennessee legislature after a seven-year fight for repeal led by the newspapers of the state and labor, civic, and other organizations. The adverse decision by the court is a severe blow to those who have sought the law's repeal.

The Tennessee constitution of 1870 provides that "All male citizens . . . over the age of twenty-one years, except such persons as may be exempted by law on account of age or other infirmity, shall be liable to a poll tax. . . ." A further provision states that a voter must furnish "satisfactory evidence that he has paid the poll tax assessed against him" before being allowed to vote. In the first session following adoption of the constitution of 1870, the legislature passed a law carrying out this constitutional mandate. The repeal of this law was the measure under review by the court.

The supporters of the repeal measure conceded that the provision making persons liable for a poll tax is mandatory but contended that it was not self-executing and that if the legislature refused to execute the mandate or, having acted, reconsidered and repealed the measure carrying out the constitutional mandate, the court is without power to act.

<sup>1</sup>See NATIONAL MUNICIPAL REVIEW, April 1943, p. 199.

The court in its majority opinion conceded that the constitutional provision making citizens liable for the payment of a poll tax, while mandatory, was not self-executing. Consequently, had the legislature disregarded the mandate the courts would have been without authority to enforce performance. The court held, however, that "when the constitutional command has been carried into execution, and incorporated into operative law, the courts, which may not say shall, have the authority and solemn obligation to say shall not. The power of the courts to declare void and restrain an affirmative act which contravenes and nullifies the higher law is beyond question in this jurisdiction."

The Chief Justice in his dissenting opinion pointed out that the decision by the court was not supported by any authority and that it was unsound in principle. The Chief Justice further stated that: "If a constitutional provision requires the support of a statute in order to operate, it cannot function when that support is withdrawn—when the statute is repealed. The legislature has power to repeal any statute unless restrained by some limitation of the constitution such as the prohibition against any law impairing the obligation of contract. No such interdiction is suggested as applicable here.

"Stripped of its eloquence and ethics, the substance of the majority opinion is that obedience to a mandate of the constitution by one legislature introduces into that instrument a warrant to this court to compel obedience to the mandate by a subsequent legislature. But the legislature cannot amend the constitution nor can it bind future legislatures."

As a result of the decision, it now seems that the only method by which the poll tax can be removed in Ten-

nessee is through a constitutional amendment. This is not an easy task. The complicated procedure for amending the constitution has successfully prevented any change in that instrument since its adoption in 1870. It is safe to assume, however, that the people of Tennessee will continue their fight for repeal of the poll tax.

M. H. SATTERFIELD

Tennessee Valley Authority

### ***Disposition of State Surpluses Analyzed***

An examination of legislative measures enacted or proposed this year and last with regard to state surpluses leads to the conclusion that most states "seek to combine a cautious foresight toward future perils with the urge to provide relief to the taxpayer or to improve state services," according to a survey of state revenue trends by the Federation of Tax Administrators.

Most states have adopted laws providing for establishment of reserve funds, either for postwar purposes or as a "cushion" against anticipated revenue declines. Others have used parts of their surpluses to raise salaries, retire debts, or increase aid to municipalities in addition to setting up reserve funds for postwar use. A few states have reduced taxes, mainly by increasing income tax exemptions or by reducing retail sales taxes, and two—South Dakota and West Virginia—have repealed their income taxes outright.

Following are brief examples of the use of surpluses in individual states and of measures taken or proposed to relieve the surpluses:

*Arkansas:* Legislature reported to have "dipped so deeply into the general revenue fund—which had a \$1,100,000 surplus in January—that the current surplus may be wiped out before the legislature meets in 1945." The legislature appropriated \$325,000 for increases

in teachers' salaries and \$100,000 for increased aid to the state medical school; \$148,000 in gasoline and oil inspection fees were transferred from the general fund to counties.

*California:* California had an \$80,000,000 general surplus in March, and anticipates a surplus of \$100,000,000 by midsummer with a monthly increase of about \$2,900,000. The 1943 legislature enacted a \$65,000,000 tax reduction program which, among other things, cut the sales tax rate from 3 to 2½ per cent, a biennial reduction of \$28,000,000 in revenues; granted corporation income and franchise taxpayers a 15 per cent war credit, or a reduction of \$10,400,000; increased personal income tax exemptions and granted other exemptions for a reduction of \$27,000,000 in revenues. Enacted also were measures freezing \$41,000,000 into a war catastrophe reserve and a bond redemption fund, and earmarking \$43,000,000 for postwar reconstruction work.

*Illinois:* Legislature authorized investment of \$60,000,000 surplus, as of January 1943, in war bonds and other U. S. securities.

*Iowa:* Anticipates a surplus of \$14,000,000 by June 30. Nearly \$3,000,000 has been frozen for postwar reconstruction. State income payments due in 1943 and 1944 were reduced by 50 per cent this year by the legislature.

*Michigan:* Surplus of \$50,000,000 expected by July 1. Law to set up postwar reserve fund of \$50,000,000 adopted in February, and \$20,000,000 of the existing surplus was earmarked for the purpose. State also appropriated \$8,000,000 for a postwar state building program.

*New York:* \$69,000,000 surplus on April 1, end of nine months of the 1943 fiscal year, with surplus of \$100,000,000 estimated by July 1. The legislature this year continued for the second year a 25 per cent reduction in state in-

come tax payments, increased tax exemptions, and allowed deductions for medical expenses, insurance premiums, and dependency. Further pay increases were granted state employees. Funds were provided for planning and executing postwar programs.

*North Carolina:* \$31,000,000 surplus in January. Under 1943 state law a postwar reserve fund was set up to which \$20,000,000 of surplus was transferred. Further transfers will be made. Flat pay raises of \$25 a month, expected to total more than \$6,000,000, were granted school teachers for next two years.

*Oregon:* \$12,000,000 surplus estimated for July 1, resulting from increases in income and excise taxes. Surplus will be left after \$10,000,000 is applied toward canceling state property levies and elementary school taxes, and \$5,000,000 is used to set up a school support fund to offset special property levies in school districts. The legislature reduced taxes on this year's income, both corporation excise and personal, by 30 to 40 per cent.

*Tennessee:* \$2,860,000 general fund surplus estimated for June 20. A "cushion" of \$7,700,000 in state sinking fund was established to maintain debt retirement program.

*Virginia:* \$18,600,000 unencumbered general fund surplus anticipated by June 30. Legislature authorized the purchase of federal securities in a move to liquidate the state debt of \$18,000,000.

*Washington:* \$35,000,000 surplus in March. Legislature granted 30 per cent pay raises to school teachers and, among other things, made several million dollars available to local governmental units to solve war-brought problems.

*West Virginia:* \$10,000,000 surplus expected by the end of the current biennium June 30. Legislature, however, has cut revenues for the next biennium, including repeal of the state personal income tax law.



## Proportional Representation

*Edited by George H. Hallett, Jr.*

(This department is successor to the Proportional Representation Review)

## Irish Dail

### Elected by P. R.

#### *Referenda in Two Cities Vacancies in Cambridge*

ON JUNE 22 the Dail Eireann of Southern Ireland (Eire) was elected by the Hare system of proportional representation for the ninth time. Eire is the one country which uses this best form of P. R., similar to that used in American P. R. cities, for all its elections, national and local. First prescribed by the British Parliament, it was continued voluntarily by the Irishmen themselves and incorporated in the constitutions of the Irish Free State and its successor, Eire.

The election deprived Prime Minister Eamonn DeValera and his Fianna Fail (Soldiers of Destiny) party of the absolute parliamentary majority they had enjoyed, except for one year, for the last ten years. The leading opposition party, William T. Cosgrave's Fine Gael (United Ireland), lost still more heavily, however, and Mr. DeValera is carrying on the government with the cooperation of minor party members and independents.

In general the trend in Ireland under P. R. had been in the direction of a two-party system, but once before, in June 1927, the voters showed their dissatisfaction with certain policies of both the major parties by swinging over to various minorities. Both parties promptly modified their policies and when another election was held the following September there was a strong trend back to the two strongest groups. The ability under P. R. to obtain representation in small parties

as easily as in large ones has proved an effective check on the major parties in keeping them close to popular wishes.

### Economic Issues Foremost

This time the dissatisfaction seems to have been caused largely by domestic economic problems growing out of the war.

Food shortages, belated price fixing, and wage freezing policies were particularly under attack and caused many industrial workers and farmers to elect candidates of their own instead of staying with the major parties. The Labour party nearly doubled its parliamentary delegation and the Farmers' party reappeared as a strong political unit. Labour gained chiefly at the expense of Fianna Fail, and the Farmers, who were particularly strong in West Ireland, at the expense of Fine Gael. Many of the new minority members are content to have Mr. DeValera continue as Prime Minister, but he will have to pay more attention to their ideas on domestic issues than he would have if he had obtained the absolute majority for which he asked.

The government's neutrality policy was obviously popular, as only one candidate out of a total of 355 declared against it. Incidentally that one, James Dillon, was elected as an independent minority representative in County Monaghan.

### Leaders Returned

A notable practical advantage of P. R. was illustrated again when the principal leaders of all parties were re-elected. These included Prime Minister DeValera and most of his cabinet members, Mr. Cosgrave, and William Norton, leader of the Labour party. The minority representation in each district makes unlikely the defeat of outstanding leaders which so often

characterizes majority elections, as in the famous defeats of Senator Norris for the United States Senate, Prime Minister Mackenzie King in Canada, Asquith in England, Smuts in South Africa, and Venizelos in Greece. Mr. Cosgrave's party was so far reduced below the strength it had when it held power some years ago, however, that some of his former cabinet ministers were defeated.

There were several well known father and son candidates elected—William S. Cosgrave, Sr. and Jr.; James Larkin, Sr. and Jr., Labour; and Alfred Byrne, Sr. and Jr., independents. The elder Mr. Byrne is a former Lord Mayor of Dublin, a post to which the city council has just elected a Labour man for the first time.<sup>1</sup>

#### Election Orderly and Well Attended

An Associated Press dispatch referred to June 22 as "one of the most peaceful voting days in the country's history." This recalls the tribute of

"The Lord Mayor is not the chief executive, but the president of the Council. Dublin, like Cork, Limerick, Waterford, and Dun Laoghaire, has a municipal manager appointed by the P. R. Council as in Cincinnati and some other American cities.

the Reverend Canon Luce, professor of moral philosophy at Trinity College, Dublin: "P. R. has been a healing force in our midst. Old political feuds are dying; public spirit is replacing faction. Our elections are well conducted. The voice of reason is heard, and the gun is silent. P. R. deserves much of the credit; for P. R. produces contented and loyal minorities, whereas the other system breeds muzzled, sullen, discontented minorities, predisposed to doctrines of violence. P. R. has been a unifying force and unity is strength."

The peace of election day was not due to lack of interest. More than 70 per cent of the 1,800,000 electorate turned out to vote in spite of the difficulties of wartime transportation and the total vote was greater than in the previous election five years ago. "Because of a ban on gasoline," the Associated Press reported, "voters were taken to the polls in every type of horse-drawn vehicle, including old-time coaches that had been off the roads for fifty years."

The Irish Consulate in New York City supplied the following summary figures of the results, with those of the last previous election for comparison:

DAIL EIREANN ELECTIONS OF 1943 AND 1938

Party	First-Choice Votes*		Seats Won*	
	1943	1938	1943	1938
Fianna Fail	555,113 (42%+)	667,996 (52%—)	67 (49%—)	77 (56%—)
Fine Gael	297,494 (23%—)	428,633 (33%+)	32 (23%+)	45 (33%—)
Labour	208,816 (16%—)	129,757 (10%+)	17 (12%+)	9 (7%—)
Farmer	141,157 (11%—)		14 (10%+) <sup>b</sup>	
Independents	116,632 (9%—)	60,680 (5%—)	8 (6%—)	7 (5%+) <sup>c</sup>
Total	1,319,212	1,287,066	138	133

\*The small discrepancies between first-choice percentages and seat percentages are explained partly by the small unrepresented remainder in each of the numerous districts and partly by crossing of party lines in the voters' expressions of preferences.

<sup>b</sup>There were really two farmer groups, a Farmer party which elected six and a Small Farmer party (Clan na Talmhan) which elected eight. In some of the accounts five of the Farmer members are listed as independents.

<sup>c</sup>Two of these are sometimes classified as Farmer members.

We are indebted to Father Edward Dowling, S.J., of *The Queen's Work*, St. Louis, for the following summary of the results of Ireland's Dail Eireann elections since the founding of the Free State, showing the gradual changes in representation under P. R. corresponding to the changes in public sentiment instead of the violent "land-slide" oscillations which so frequently characterize majority elections:

PARTY STANDINGS IN DAIL ELECTIONS

	1922	1923	1927 June	1927 Sept.	1932	1933	1937 <sup>a</sup>	1938	1943
Pro-Treaty Sinn Fein	58								
Cumann na nGaedhael		60	47	62	57				
Fine Gael						48	48	45	32
Farmers	17	15	11	6	4			2	14
Independents <sup>b</sup>	10	16	16	12	11	8	8	5	8
National League <sup>c</sup>			8	2					
Center						11			
Independent Labour		1		1	2	1			
Labour	17	14	22	13	7	8	13	9	17
Fianna Fail			44	57	72	77	69	77	67
Anti-Treaty Sinn Fein <sup>d</sup>	36	44	5						

<sup>a</sup>Number of members reduced by 1935 revision from 153 to 138.

<sup>b</sup>Includes ex-Unionists, Redmonites, and genuine independents.

<sup>c</sup>Formed by Captain William Redmond from his father's old followers.

<sup>d</sup>Abstained from participating in Dail.

## Long Beach Petition Filed

The first step necessary for the submission of P. R. and the city manager plan in Long Beach, Long Island, this November has been successfully completed. A petition requesting the necessary charter amendment was circulated by the Long Beach Citizens Union and filed with the City Clerk on July 1. The latter has certified that he found 546 valid signatures of registered voters on the petition, whereas only 408 were needed to make up 10 per cent of the last gubernatorial vote in the city and bring the amendment officially before the City Council.

If the Council does not put the question on the ballot voluntarily within two months from the date of filing—as

it is clear it has no intention of doing—a second 5 per cent petition, with different signatures, can force the question onto the ballot. The second petition for this purpose is now in circulation.

It seems probable that a court fight will be necessary to force the city officials to take the steps for submission required in the city home rule law. The City Clerk, in certifying that the

first petition contained sufficient valid signatures properly authenticated, nevertheless informed the Council that he regarded the petition as invalid. The city administration has developed theories as to the legality of the petition's substance, although it is similar to the petition which initiated the present P. R.-manager government of the city of Yonkers.

For the sake of simplicity the Long Beach Citizens Union abandoned its original idea, explained in this department for June, of presenting a proposed charter commission to the voters along with the P. R.-manager amendment. Nevertheless there will be a charter commission proposal on the ballot. In an effort to sidetrack the Citizens Union amendment, the City Council



has put forward a proposal to elect a charter commission of fifteen, nine members to be chosen by districts and six by plurality vote at large. The Citizens Union has decided not to try to capture the commission but instead to oppose its creation. The district plan of election would be likely to give unrepresentative results and a charter commission in the wrong hands would be worse than useless.

### ***Yonkers to Vote on P. R. Changes***

At the same time that the voters of Yonkers, New York, elect their third P. R. City Council on November 2, they will vote on two questions which will affect the method of counting the P. R. ballots:

1. A proposed change in the election quota from the present "fixed quota" to a quota calculated each time from the number of ballots cast and the number of members to be elected.

2. A proposal to elect the mayor (president of the Council under the city manager plan) and the vice-mayor by continuing the count of the Council ballots to determine the majority choice of the voters.

These proposals were prepared, under instructions from the Council, by a competent charter commission, headed by Philip H. Cornick of the Institute of Public Administration, appointed by the Council last October. The Council adopted certain minor proposals of the commission and referred these two important matters to the voters under the mandatory referendum provisions of the city home rule law.

#### **A New Quota Rule**

Yonkers' present Council consists of five members. The number was not fixed in the charter but resulted from a provision which fixed the quota sufficient for election at 10,000 votes and

made the number of members dependent on the number of quotas. A total valid vote between 20,000 and 40,000 under the present rule would result in a Council of three, a vote between 40,000 and 60,000 in a Council of five, a vote between 60,000 and 80,000 in a Council of seven, and so on.

Under the new proposal the Council will still be variable in size—five members for any valid vote less than 50,000, seven members for a vote between 50,000 and 80,000, and nine members for 80,000 or more. The election quota will no longer be fixed in advance, however, but will be calculated from the total valid votes cast as in most other P. R. communities.

The quota rule proposal will give the same results as in all the other American P. R. cities except New York, but its wording is entirely new and different, since the commission wished to emphasize the fact that it would assure a majority of the seats to any majority of the voters. It reads:

The quota of votes sufficient to elect a councilman shall be fixed by dividing the smallest number constituting a majority of the valid ballots, by the smallest number constituting a majority of the councilmen to be elected, giving the value of one to any fraction in the result.

This definition is only proper when an uneven number is to be elected.

It is proposed that this new quota be put into effect this fall, for the count of the P. R. ballots cast the same day as the vote on its adoption.

#### **Election of Mayor**

The charter commission was under instructions to provide for a direct election of the mayor. It did so by providing for a second count of the P. R. ballots for Council according to the Hare system of majority preferential voting. This system is sure to elect

as mayor any councilman who is preferred by a majority of the voters to each of the other councilmen.

The commission also proposed that the runner-up in this mayoralty count, who would often be the leader of the opposition, be the vice-mayor. This would fit in well with the coöperative idea, which P. R. promotes, of giving all elements of the citizenry an important share in the government.

Yonkers council vacancies are filled by recounts of the P. R. council ballots. In case of a vacancy in the mayoralty the commission proposed, first, a regular council vacancy recount (of the ballots which elected the mayor to the Council together with the ballots which did not elect anyone) to fill the vacating mayor's place on the Council; and then a recount of all the ballots to determine which member of the revised Council is preferred for leadership in it by a majority of the voters.

All of these provisions relating to the mayor and the vice-mayor are included in the same proposition.

### ***Vacancy Recounts in Cambridge***

The second, third, and fourth recounts of P. R. ballots ever held in this country to fill vacancies in public office took place in June in Cambridge, Massachusetts; the first having been held in Yonkers last year.

Under the Massachusetts "Plan E" law any vacancy in a city council or school committee elected by P. R. is filled by a recount of the particular ballots by which the vacating member was elected, to determine the next choice of his constituency. This rule was extended by this year's legislature to temporary military vacancies, thanks to the vigilance of Representative A. John Serino, Cambridge Republican, who secured an amendment of a bill which provided for the filling of

such vacancies in general by Council appointment.

The persons chosen to fill military vacancies serve for the remainder of the unexpired term or until the absent member returns if he returns earlier. In the case of a Council position the substitute and the absent member divide the salary evenly between them. School committeemen are unpaid.

The new law was promptly applied in Cambridge, with results which brought considerable satisfaction. Sergeant Edward A. Crane, independent Democrat elected to the Council on the "Plan E Committee" ticket in 1941, was replaced by Francis P. Scully, an able, non-political businessman on the same ticket. In the first School Committee recount Major Ralph W. Robart, elected on the "Plan E" ticket, was replaced by Reverend Frank E. Duddy, who ran on the same ticket. Lieutenant William F. Brooks, Democrat, was replaced on the School Committee by Mrs. Margaret M. Kelleher, Democrat. Mrs. Kelleher has joined forces with the three Plan E members of the School Committee (the Mayor, ex-officio, and two members out of six elected to the committee) to bring about certain changes in school policy for which there had been a considerable demand.

The *Boston Herald* of June 22 commented on the advantages of this method of consulting the voters to fill vacancies as compared to a fresh election: "The notable point about the filling of these vacancies is that the total expense is only about \$50. No special election is held. It was necessary to employ one or two extra helpers for the examination of the vote in the regular election. . . . The system sounds complicated but it works well. . . . Plan E is proved once more to be a smooth-running machine. It saves money and time and fills vacancies without any political hullabaloo."



# Books in Review

Edited by ELSIE S. PARKER

**The City. Its Growth — Its Decay — Its Future.** By Eliel Saarinen. New York, Reinhold Publishing Corporation, 1943. xvi, 380 pp. \$3.50.

Many citizens are making a contribution to their cities without any pecuniary recompense by acting as members of city planning commissions. This is an unusual form of citizen activity for though generally in the hands of laymen such commissions have official backing. This book should be read by all who are rendering that service.

Saarinen is an artist-creator talking about his medium, architecture, in its broad aspects. He realizes that the business of "building" a city is not a matter of the intellect and the slide-rule; it is a matter of one's own "deep self." You are sensitive or you are not. If you are and you serve on a planning commission you help a San Francisco Civic Center come into existence. If you are not, then you help produce that of Milwaukee.

To be sensitive you must be integrated, as Harry Emerson Fosdick points out. That is the explanation of Radio City. Each office in it corresponds to the separate cell of a sponge; the only "cooperation" between the cells of a sponge is that one tacks his cell to that of his "neighbor," but within each cell is a "rugged individualist" living his own self-centered life. That is why sensitive people who see Radio City and who know neither biology nor architecture nevertheless feel a sense of being in the presence of a low form of life though they may not be able to put their feeling into words. This book gives them the words.

Only an unintegrated age could conceive of a such a building and only such an age would be unaware that it

will tell the story of its spiritual dimness to the ages to come as the Parthenon tells of the organic unity of the Greek soul.

A week after this book is read every word will be forgotten, even such terms as "organic decentralization." For it is as formless as the mists that rising from the surface of streams gave birth to the myth of the sylph. But like the mist it is penetrating and you are aware through reading it that the juxtaposition of the green ribbon of the Chicago Lake Front to blighted areas and noisome slums has not just "happened"; that contrast is as completely a key to "Chicago" as a state of mind as his thumb-print is to an individual.

On that Lake Front to the north of the North Link Bridge is a tower surmounted by expensive and utterly useless buttresses. Its design was chosen by its owner over that of Saarinen. Why? The real reason was hidden from the consciousness of the man who made the decision. Its trumpery but outwardly impressive form is his own photograph. At the time some of us were sorry that Saarinen was turned down. Now we are not. His design was a cry in the night to sleeping men. His book is a cry to some who are awake. His tower will yet be built and every reading of his book will add to that assurance, for only those with integrated souls will read beyond the second page. Those who do will read to the end and go forth as builders of cities suited to the souls of free Americans who have shaken off the fear of insecurity which led so many to exploit others to get rich, as men who because they have lost fear will express in their buildings and their city plans Walt Whitman's "dear love of comrades."

WALTER J. MILLARD



## Additional Books and Pamphlets

### *Accounting*

**Accounting for Expenditures in Pensacola, Florida.** By Charles H. Walker. Chicago, Municipal Finance Officers Association of the United States and Canada, 1943. 8 pp. 35 cents.

### *Administration*

**Guide to Municipal Functional Organization Charts—Their Purpose, Construction, and Uses.** Prepared for the Mayor's Committee on Simplification of Procedures. New York City, Division of Training, 1943. xv, 64 pp. 50 cents.

**Regulatory Administration.** An Exploratory Study. Edited by George A. Graham and Henry Reining, Jr. New York City, John Wiley & Sons, Inc., 1943. \$2.75.

### *Blighted Areas*

**American Cities After the War — A Plan for the Elimination of Blighted Areas.** (Preliminary Report No. 1 of the Committee on Post-War Planning.) By Walter J. Mattison. Washington 6, D. C., National Institute of Municipal Law Officers, 1943. 19 pp. \$2.

### *Budgets*

**State Budget for 1944 and 1945.** Biennial and Annual Budgets Presented to 1943 Legislatures. By V. J. Wyckoff etc. Washington, D. C., Division of State and Local Government, Bureau of the Census, 1943. 15 pp.

### *Codification of Ordinances*

**Latest Codified Ordinances of Cities over 100,000 Population and Selected Smaller Cities.** Compiled by M. Margaret Kehl. New York City, Municipal Reference Library, 1943. 5 pp.

### *Constitutions*

**Organization Manual for the Missouri Constitutional Convention of 1943.** By Martin L. Faust. St. Louis, State-Wide

Committee for the Revision of the Missouri Constitution, 1943. 63 pp.

### *Democracy*

**Democracy, Efficiency, Stability.** By Arthur C. Millspaugh. Washington, D. C., The Brookings Institution, 1942. x, 522 pp. \$4.

**The Democratic Tradition in America.** Edited by Colonel Clayton E. Wheat. Boston, Ginn and Company, \$2.

### *Fire Prevention*

**Fires Fight for the Axis.** Fire Prevention Week (Oct. 3-9) Handbook. Boston, National Fire Protection Association, 1943. 16 pp.

### *Taxation and Finance*

**At Long Last Pay-As-You-Go.** By Mabel L. Walker. Philadelphia, Tax Institute, University of Pennsylvania, 1943. 4 pp. 25 cents.

**City Expenditure in 1941. City Debt and City Sinking and Trust Funds in 1941. City-Area Finances in 1941.** Washington, D. C., Division of State and Local Government, Bureau of the Census, 1943. 33, 44, and 19 pp. respectively.

**Financial Statistics of Counties: 1941 (Final Report).** By Wylie Kilpatrick. Washington, D. C., Division of State and Local Government, Bureau of the Census, 1943. vi, 90 pp.

**Trend of Tax Delinquency, 1930-1942.** Cities of over \$50,000 Population.<sup>1</sup> By Frederick L. Bird. New York City, Municipal Service Department, Dun & Bradstreet, 1943. 34 pp. \$2.

## COUNTY AND TOWNSHIP

(Continued from Page 460)

erning a county system, has jurisdiction over approximately 1,800 acres including eight major parks. The Toledo system has jurisdiction over approximately 1,500 acres including nine

<sup>1</sup>For a review of this volume see p. 461 this issue.

large parks. Although both are operated in a highly efficient manner, the *Journal* believes substantial savings could be effected through elimination of some overhead expenditures. Furthermore, it believes a unified system would be more attractive to private donors.

### ***City-County Health Department Succeeds in Florida***

Six months' successful operation of a health department serving the entire county, including the cities of Coral Gables, Miami, and Miami Beach, have been completed in Dade County, Florida. The population of the county totals about 270,000. Previously each of the cities, as well as the county, had its own health unit, and there was much overlapping of work. Where formerly each city and the county had a dairy inspector now one inspector handles this activity. Duplication has been eliminated also with regard to school doctors and nurses.

At present the cities transfer to the county the amounts provided in their health department budgets. Beginning in October, however, the county will furnish all funds for health work.

### **CITIZEN ACTION**

(Continued from Page 458)

Sewers and drains—that includes all your bath and washing up water—1½d. Your dad wouldn't like to clean out an earth closet on Saturday afternoons, would he, instead of going to a football match?

"Libraries cost him ½d. a week. For this, a family of five could have ten books out at once. Civil defence—wardens, ambulances, gas masks, rescue parties—cost him 2d.

"Education costs him 6½d., however many children he may have. The fire service costs him ¾d., and parks and

open spaces even less than that." . . .

When Mr. Round had spoken for forty minutes, the children asked questions: why were there different kinds of lighting in adjoining streets; why do burial charges vary; do you have to apply to Parliament before you build a house? . . .

Next came the council meeting. The boys sat in the gallery overlooking an oak-panelled hall. The civic arms gleamed above the Mayor's table. A mace bearer, followed by the town clerk in wig and gown and the Mayor wearing his golden chain, advanced over a crimson carpet. The children loved the bright colors. Perhaps it is what they will remember best.

Except the town-hall lift! That was the star turn of the evening. The boys clustered about its rails, longingly fingered its buttons, and hoped that it would stick half-way, so that they could be rescued. It didn't. They saw the rooms where the rates were paid, the town clerk's office, the architects' and finance departments. And they went home, a little wiser.

But why do we have to leave it at this—good as it is? Children who crowd round a lift would find the fire-engines, the gasworks, the electricity station, the refuse disposal depot, more enthralling still. Could we not show them the inside of their town—the sewers and mains, the clinics and hospitals, the police stations and laboratories—and how it works and lives?

Mr. Round has made a good start. He is the first mayor in the London area to give talks like this to boys and girls. But the success of his enterprise shows how much more could be done. If the children could *see* local government at work, they would remember it long after words had been forgotten.

If we are going to win the peace—a democratic peace—it's worth thinking about.

HAZEL SHEPHERD